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THE UNIVERSITY OF ALBERTA
BUDGET PROCEDURES IN SCHOOL DIVISIONS OF ALBERTA

by

JAMES EDWARD FINNMAN

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES
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UNIVERSITY OF ALBERTA
FACULTY OF GRADUATE STUDIES

The undersigned certify that they have read, and
recommend to the Faculty of Graduate Studies for acceptance,
a thesis entitled "BUDGET PROCEDURES IN SCHOOL DIVISIONS OF
ALBERTA" submitted by James Edward Finnman in partial
fulfilment of the requirements for the degree of Master of
Education.

ABSTRACT

The purpose of the research was to survey:

- (1) what practices are followed in the school divisions of Alberta in the preparation, presentation, adoption, administration and appraisal of the budget;
- (2) who participates in the budgetary procedures.

The data for the descriptive survey were obtained by having superintendents and secretary-treasurers respond to separate questionnaires.

Written budget policies pertaining to the budgetary procedures are non-existent in most school divisions and are seldom reviewed on an annual basis. Most of the policies are formulated by the secretary-treasurer, superintendent and school board with the staff and lay groups seldom participating.

In preparing the expenditure estimates, budgets and annual financial reports from one or two former years are the main documents employed; a locally prepared educational plan is seldom included with the budget. Revenue estimation depends almost entirely upon the announcement of the School Foundation Program Fund grants and financial reports from former years. Most divisions employ the same categorization as used in the provincially required Budget Report Form, but include somewhat more detail. The secretary-

treasurer assumes the leading role in the preparation of most of the estimates; the superintendent is mainly responsible for developing the educational plan, the instructional estimates and the instructional aids estimates. According to the secretary-treasurers and superintendents, the greatest hindrance is the late announcement of Foundation Program Fund grants.

Initial presentation of the budget usually involves sending the proposed draft to the trustees. After presentation by the secretary-treasurer (assisted by the superintendent), deliberation occurs on two or three drafts, followed by official adoption two weeks or more later; this seldom occurs in advance of the fiscal year. Although there is almost a complete absence of staff, lay and municipal representatives in attendance at the annual budget meeting(s), most divisions make very little attempt to interpret the preliminary or adopted budget to their staffs and community.

Most accounting systems relate directly to the accounts in the budget; however, very few divisions employ any form of accrual accounting to facilitate financial reporting and control. Emergencies are usually met by securing short term loans while budget transfers are infrequently authorized by an amendment. Surplus funds in specific accounts from a fiscal year are usually expended and not applied to the new fiscal year. The secretary-treasurer assumes the leading role in budget administration and control. Monthly financial reports and subjective, continuous study and evaluation are utilized to appraise the effectiveness of the budget process.

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CHAPTER I

THE PROBLEM AND DESIGN FOR THE STUDY

I INTRODUCTION

Today's progressive society requires that educational leaders provide for the education of youth so that they can reach their greatest potential. School officials charged with this responsibility are constantly seeking how this can be accomplished. The premise of this study is that the focal point of securing quality education for a school division depends, to a large extent, on the budgeting process.

The budget process, as conceived by DeYoung, consists of five procedures--preparation, presentation, adoption, administration and appraisal.(4) How these procedures are formulated and the extent to which school personnel and lay citizens actively participate in these budgetary processes are very important measures of the effectiveness of a school system. The annual school budget becomes much more than a financial document; in fact, it becomes the educational program over a short and long-range period expressed in financial terms. Ovsiew and Castettner express the true framework of the present day budget when they note that it serves as a device for:

1. Giving an account of financial stewardship;
2. Facilitating the control of expenditures;
3. Identifying key elements in the management of funds, facilities, and personnel;
4. Appraising the operation of the school program, and,
5. Specifying educational objectives in financial plans.(15,p.23)

In this broad framework, the budget becomes a vital educational document

for securing a quality educational program.

In 1933, Cubberley indicated the nature of the problem existing then, when he stated that unless school authorities introduce accurate methods of budgeting, they can scarcely hope to obtain the appropriations necessary to allow them to meet the constantly expanding needs of modern education. The superintendent and school board will likely find the burden harder and harder to carry each year.(3,p.416) These words echo the sentiments of many present day educators. With the expanding needs of modern education, the school divisions of Alberta are facing similar increasing appropriations. A study of budget procedures should result in positive recommendations for their improvement.

II STATEMENT OF PURPOSE AND SUB-PURPOSES

Purpose

The purpose of this research was to survey the current budget procedures in school divisions of Alberta and compare these with the recommendations of authorities as found in the literature.

Sub-Purposes

The study endeavored to answer the following questions:

- (1) What are the recommendations given by authorities in educational finance for executing the following budgetary procedures: preparation, presentation, adoption, administration, and appraisal?
- (2) In the school divisions of Alberta, what practices are currently followed in the budgetary procedures?
- (3) In the school divisions of Alberta, who participates in the

budgetary procedures?

III NEED FOR THE STUDY

The problem of adequate financing for education is of prime importance to school officials. Rapidly expanding programs and increased costs of educational facilities, salaries, supplies and equipment create the need for closer cost analysis leading to more efficient financial planning. With the ever-increasing burden of taxation, various groups have been questioning the apparently immense sums of money requisitioned by school boards. These conditions make it more imperative that serious attention and research be given to the budgeting of school funds.

If the school budget is prepared according to the process recommended by experts, school officials will be able to justify their needs for more funds.

If the budget is co-operatively constructed, with proposed expenditures and revenues estimated as accurately as possible, if it is adopted only after those affected have had ample opportunity to study its contents, if it is administered as diligently as possible, and if it is judiciously appraised, there is less possibility for uninformed criticism. (24,p.8)

The desirability of this form of budgetary procedure for schools has long been recognized. In 1957, Vosecky described the situation as follows.

In no other area of school administration are the authorities so cognizant of the proper procedure and methods to be used as they are with regard to the school budget and the budgetary process. Yet there is much evidence that this knowledge is grossly ignored. (24,p.8)

Research studies, analyzing the different phases of school budgeting, have been quite meager. Simpson and Lake have stated the

need for more research as follows:

The need for basic research to buttress and improve the school budget, both procedure and document, is one of vital importance in the field of school finance. Its importance is emphasized because of the relatively meager contributions made to research in this field.(19,p.346)

After reviewing the research on budgeting up to 1960, Monroe concluded that "more studies of budget practices in small school systems are necessary."(14,p.163)

In the United States, Twente's study of 1922 showed that budget practices in city school districts were undeveloped and unstandardized in relation to the statutes.(21,p.42) Repeating the same study ten years later, DeYoung found that many public schools were preparing budgets and had developed budgetary practices to varying degrees.(5,p.15) Statewide surveys(1, 2, 9, 11, 12, 13, 16, 20, 24) which are of a more recent vintage have given impetus to varied forms of budget improvement programs including guidebooks, special reports and conventions.(8, 22, 23) Even after this great amount of research and improvement programs, the recent study of Bowermaster's reveals (1) a lack of uniformity in budgetary practices, (2) a lack of complete understanding or agreement on effective practices, and (3) many unrealistic practices still prevailing.(1,p.276)

In Canada, public school budget improvement has received little attention. In 1962, a Banff Regional Conference dealt with school budgeting,(6) and in 1966, the Dominion Bureau of Statistics publication, "A Manual of Accounting for School Boards", recommended a uniform accounting and budget classification system for all Canadian school systems.(7)

In Alberta, no study of budget procedures has ever been attempted; also, the statutes and regulations pertaining to budget preparation appear quite minimal. The School Act merely specifies that the budget must be adopted on or before the thirty-first day of March,(12, S298 (1)) and submitted to the municipality as soon as possible.(12, S.301 (2)) Therefore, a study of current practices in budget procedures should facilitate the planning of educational services in Alberta.

IV BACKGROUND FOR THE STUDY

The purpose of this section is to describe some of the aspects of education in Alberta which have relevance to the study.

School Division

Since this study is limited to a study of budget procedures within school divisions of Alberta, only a description of this administrative unit is given.

In 1929, the Hon. Perren Baker, then Minister of Education, suggested the consolidation of rural school districts into larger units of administration. In 1936, the new Social Credit government, instituted a scheme of consolidation whereby the rural school districts were formed into new units called school divisions. Provision was also made for town and village districts to join if they wished. Although the former districts retained their boundaries, the executive and legislative powers of district school boards were transferred to the new divisional boards; the former retained advisory powers only.(10,p.47)

Under the provisions of this legislation, each school division consists of forty to sixty rural school districts. Therefore, the administrative area is approximately fifty miles in diameter and usually includes several towns, villages, and hamlets each of which usually have a centralized school. Since 1954, most school divisions have been co-terminous with a rural municipality and frequently have their administrative offices located in one of the larger centrally located towns.

The school board of a division employs from fifteen to over two hundred teachers who usually offer a grade I to XII program. One or more centralized high schools are normally operated in each division.

Personnel of the School Division

Each school division is administered by a school board, a secretary-treasurer, a superintendent, and such other officers as deemed necessary. The powers and duties of these personnel are specified in the Alberta School Act.

The school board. The number of school trustees on any school board in Alberta varies according to the type of administrative unit and with the direction of the Minister. The board is headed by the board chairman, who is elected by the board members and becomes the unpaid chief officer. In this role, the chairman must exercise close supervision over all the affairs of the division.

The secretary-treasurer. The locally appointed secretary-treasurer is a key position in the operation of a school division. His

work may be more or less equated with that of a business manager for the school board. Where the school board generally meets only once a month, it becomes the joint task of the secretary-treasurer and the superintendent to translate into action the policies and decisions made by the board, and to manage and oversee the administrative and instructional operations of the division. In general, the secretary-treasurer will be responsible for the business affairs of the division, which may include such matters as procurement of supplies, accounting, payment of salaries and other related duties.

The superintendent of schools. A superintendent of schools, appointed by the provincial department of education, supervises the entire school operation and acts as an advisor to the board of each division. With each division's size, population, wealth and personnel varying, the Cameron Report states that the work of the superintendent is too wide to permit accurate generalizations. "Two function's, however, have been relatively constant--to visit classrooms and to advise or otherwise assist school boards who need their services."(17,p.202)

The assistant superintendent. School divisions with one-hundred teachers or more on staff may, with the approval of the Minister, appoint an assistant superintendent or supervisor of instruction. Although the role of this administrative assistant varies, most are responsible to the superintendent for definition of their duties.

Other administrative officials. Certain divisions appoint other personnel for other defined duties. These include directors of maintenance, conveyance foremen, subject area co-ordinators, and special

services directors, etc.

Financing Education In Alberta

All school boards obtain their major source of revenue from the School Foundation Program Fund. This Fund, established by the Minister of Education as provided in Section 304a of the School Act, secures its monies from two sources: first there is a levy by the Department on the equalized assessment of every municipality within the Province, as this assessment is established yearly by the Alberta Assessment Equalization Board. These funds are channeled into the Department of Education and are deposited in a special fund. To this fund is added the annual Legislative Grant for school support purposes.

This fund is distributed to school authorities in accordance with the provisions of the School Foundation Program Fund Regulations. Number of pupils, number and qualification of teachers and transportation of pupils are the chief factors determining the amount of revenue.

The second most important of the school unit's sources of revenue is that derived from supplementary requisitions. If the money, which the unit receives from the School Foundation Program Fund and from other miscellaneous revenues, is not adequate to meet the budget of the school authority, it may upon receipt of advice--not approval--from the Department, make a requisition on the contributing municipalities. After receiving this advice, one or more contributing municipality may still dispute the requisition. If such occurs, the municipal council may within sixty days of the receipt of the requisition apply to the Local Authorities Board for an examination of the estimates contained in the budget. After having the representations

from the contributing municipalities, the Local Authorities Board may approve the estimates or direct that they be reduced by a certain percentage. The decision of the Local Authorities Board is binding on all parties affected.

Under certain special situations, a division, county or district may also qualify for a special grant. If a school division or district has presented its budget to the Department of Education and has received its 'advice' thereon, and if, nevertheless a deficit develops, the unit may be in a position to apply for a special grant. Normally, deficits are carried forward as a part of next year's budget and the unit must recover the monies by applying for a larger supplementary requisition. In some units, however, deficits may be taken care of by special grants. Before making such a special grant out of funds provided him by the legislature, the Minister must satisfy himself that the situation is one of special need. Such special grants are only made in exceptional circumstances and at such time as the school board finds itself, through no fault of its own, in difficult circumstances.

Financing new buildings. To construct new buildings, a school divisional board, in consultation with an architect, decides on its needs. Then these needs in the form of a proposal are presented to the School Buildings Board, constituted under the School Buildings Act on which the Departments of the Treasury, Public Works and Education are represented. If the School Buildings Board is satisfied that a justifiable need exists, then it gives what is described as a "recognition of need"--based generally on a square foot basis and a

maximum cost of \$x per square foot. The School Foundation Program Fund, in turn, supports the building program only within the limits stated in the Recognition of Need.

Having secured a recognition of need, the school board must then pass a by-law to enable it to borrow the necessary money. After advertising its intention to borrow, the school board seeks the approval of the Local Authorities Board, which determines the extent of the borrowing by debenture. To the extent that construction has been approved by the School Buildings Board, the School Foundation Fund services the debenture; any excess must be provided for in the division's budget, as unapproved costs.

V RESEARCH DESIGN FOR THE STUDY

In order to ascertain the prevailing budget practices in the school divisions of Alberta, the descriptive survey method was used. The procedural steps to the study included: (1) a review of the related literature on budgetary procedure, (2) the development of two questionnaires by which the data on current budgetary practices were collected and (3) the tabulation and treatment of the data.

Review Of Related Literature

The review of literature was not limited to school budgeting procedures and their historical development, as budgetary principles from other levels of government are also applicable to school budgeting. This review formed the basis for the conclusions and recommendations given in the concluding chapter of the study.

Instrumentation And Pilot Study

As it was necessary to gather data relating to the study from widely scattered areas of Alberta, the questionnaire method was employed. One questionnaire was divided into two parts--one part responded to by superintendents and the other by secretary-treasurers. Superintendents were asked to respond to aspects which were thought pertinent to their field of administration, (See Appendix A) while secretary-treasurers were asked to respond to questions relevant to the business administrative aspects of budgeting (See Appendix B). With the questionnaire divided in the above manner, superintendents and secretary-treasurers could respond to the questionnaires individually or co-operatively.

The questionnaires were developed in a series of three stages or drafts.

In developing the initial draft of the questionnaire, ideas derived from the literature and from the questionnaires employed by Lovik(12) and Bowermaster(1) were utilized. Colleagues, professors and officials from the Provincial Department of Education reacted to the initial draft.

After adding certain questions and re-structuring others, the revised forms of the questionnaires were employed in a pilot study. The three provincially appointed superintendents who supervise more than one school division were, with the co-operation of their secretary-treasurers, asked to respond to and criticize the questionnaires.

Collection And Analysis of Data

Data on the current practices followed in the budgetary procedures were collected by means of the questionnaires responded to by divisional superintendents and secretary-treasurers. The shaded portions of the map of Alberta (See Figure I) show the twenty-seven divisions which were asked to participate in the study.

The questionnaires, along with covering letters and stamped envelopes for the return of the completed questionnaires, were forwarded to each divisional superintendent and secretary-treasurer with the above delimitation.

Three weeks after the original mailing of the questionnaires, a reminder letter (See Appendix C) was forwarded to the superintendents and secretary-treasurers who had not responded.

Table I indicated the number of superintendents and secretary-treasurers who responded to the questionnaires. Twenty-four of the twenty-seven (89 percent) superintendents responded, whereas twenty-six (96 percent) secretary-treasurers responded.

Data obtained from the superintendents and secretary-treasurers were presented in tabular and/or descriptive form. Percentage distributions (rounded to the nearest integral value) were used to present the findings from the questionnaires. No statistical treatment for significance of difference on any level was used. The data were interpreted in terms of the recommendations of the authorities in educational finance, and of the administrative structure characteristic of the school divisions.

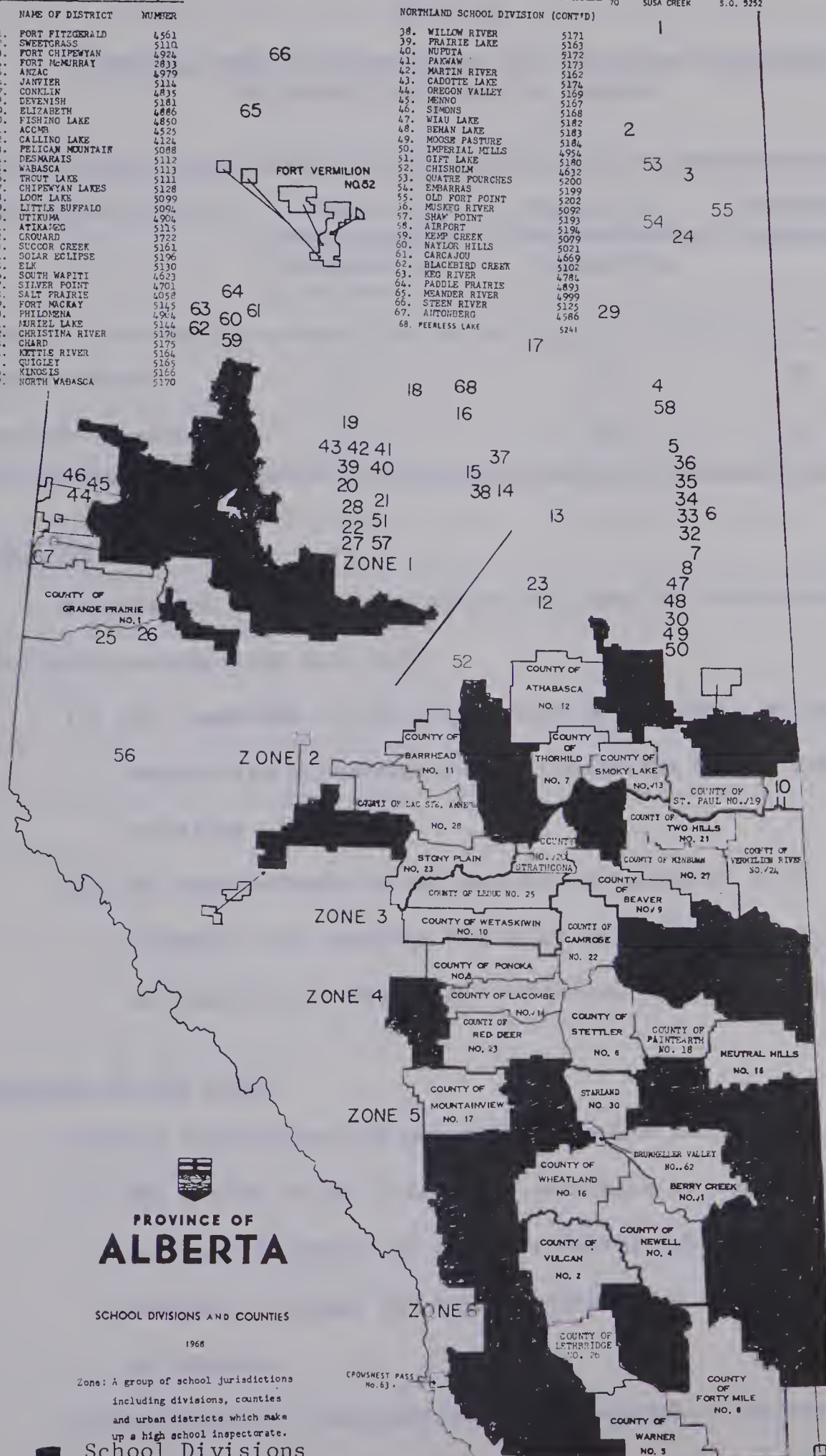
NORTHLAND SCHOOL DIVISION NO. 61

NAME OF DISTRICT	NUMBER
1. FORT FITZGERALD	4561
2. SWEETGRASS	5110
3. FORT CHIPEWYAN	4924
4. FORT McMURRAY	2833
5. ANZAC	4979
6. JANVIER	5114
7. CONKLIN	4835
8. DEVENISH	5181
9. ELIZABETH	4866
10. FISHING LAKE	4850
11. ACCOMB	4525
12. CALLINO LAKE	4124
13. PELICAN MOUNTAIN	5088
14. DESMARAIS	5112
15. WABASCA	5113
16. TROUT LAKE	5111
17. CHIPEWYAN LAKES	5128
18. LOOM LAKE	5099
19. LITTLE BUFFALO	5094
20. UTIKUMA	4904
21. ATIKAMEG	5115
22. GROUND	3722
23. SUCCOR CREEK	5161
24. SOLAR ECLIPSE	5196
25. ELK	5130
26. SOUTH WAPITI	4623
27. SILVER POINT	4701
28. SALT PRAIRIE	4058
29. FORT MACKAY	5145
30. PHILOMENA	4904
31. MURIEL LAKE	5144
32. CHRISTINA RIVER	5170
33. CHARD	5175
34. KETTIE RIVER	5164
35. QUIGLEY	5165
36. KINOSIS	5166
37. NORTH WABASCA	5170

NORTHLAND SCHOOL DIVISION (CONT'D)

38. WILLOW RIVER	5171
39. PRAIRIE LAKE	5163
40. NUPUTA	5172
41. PAKWAW	5173
42. MARTIN RIVER	5162
43. CADOTTE LAKE	5174
44. OREGON VALLEY	5169
45. MENNO	5167
46. SIMONS	5168
47. WIAU LAKE	5182
48. BEHAN LAKE	5183
49. MOOSE PASTURE	5184
50. IMPERIAL MILLS	4954
51. GIFT LAKE	5180
52. CHISHOLM	4632
53. QUATRE POURCHES	5200
54. EMBARRAS	5199
55. OLD FORT POINT	5202
56. MUSKEG RIVER	5092
57. SHAW POINT	5193
58. AIRPORT	5194
59. KEMP CREEK	5079
60. NAYLOR HILLS	5021
61. CARCAJOU	4669
62. BLACKBIRD CREEK	5102
63. KEG RIVER	4784
64. PADDLE PRAIRIE	4893
65. MEANDER RIVER	4999
66. STEEN RIVER	5125
67. AMTODBERG	4586
68. PEERLESS LAKE	5241

71. FT. CHIPEWYAN	R.C.S. S.O. #51
69. GARDEN CREEK	S.O. 5247
70. SUSA CREEK	S.O. 5252



PROVINCE OF
ALBERTA

SCHOOL DIVISIONS AND COUNTIES

1968

Zone: A group of school jurisdictions including divisions, counties and urban districts which make up a high school inspectorate.

School Divisions
Participating in Study

TABLE I
RESPONSES FROM SUPERINTENDENTS AND SECRETARY-TREASURERS
OF SCHOOL DIVISIONS OF ALBERTA

School Administrators	Number of Administrators Surveyed In Study	Number of Administrators Responding	Percent Responding
Superintendents	27	24	89
Secretary-Treasurers	27	26	96

Assumptions

Because the questionnaire method was used for collecting data, the following assumptions were made:

- (1) The responses to the questionnaires present a valid description of current budget procedures in the school divisions of Alberta.
- (2) The superintendents and secretary-treasurers have authentic and complete knowledge of the budget procedures as practiced in the school divisions which they administer.

Limitations Of The Study

Certain limitations influence the possible interpretations.

- (1) The review of the literature pertinent to budgeting was de-limited largely to the more recent publications available through the library facilities of the University of Alberta.
- (2) Sociological, geographical and demographic factors which

possibly influence the budgetary practices were not considered.

VI ORGANIZATION OF THESIS

Chapter II reviews the literature on the budgetary process.

Information derived from the questionnaires is presented in Chapters III, IV, V and VI. Chapter III reports the findings relating to budget policies while Chapter IV describes the current practices and personnel participating in the preparation of the budgets. Chapter V contains the findings relating to existing practices in the presentation and adoption of the budget. Chapter VI reports the prevailing practices and personnel participating in the administration and appraisal of the budget. Chapter VII summarizes the findings and conclusions on the budgetary procedures as drawn from the research. Recommendations for the improvement of the budgetary procedures are also given.

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CHAPTER II

REVIEW OF THE LITERATURE ON THE BUDGETARY PROCESS

I THE CHANGING CONCEPT OF THE BUDGET

An early educational finance book defines the budget as a...

...systematized statement which forecasts the probable expenditure and the anticipated revenue of an individual, an organization, or an institution during a stated period.(50,p.161)

The emphasis in this definition is on the financial aspect only, which is in keeping with a budget philosophy commonly referred to in the literature as the co-ordinated business management point of view. In this approach the business manager occupies a position co-ordinate with the superintendent of schools and the whole emphasis in budgeting is on living within your income. Ovsiew, Castetter and Koenig assert that:

...budgets were looked upon by officials generally as accounting instruments designed to hold public expenditures at the lowest minimum possible.(40,p.212)

Thus, school officials saw their responsibility as that of saving taxpayers' money regardless of the damage to children by the resulting inferior educational program.

In a more recent publication, Reeder defines the budget as a financial plan for a specific period of time which presents, in terms of dollars and cents, the philosophy and policy of the school system. (51,p.359) This budget philosophy (known as the functional point of

view) sees the budget as:

...an expression in dollars and cents of the education program to be carried on and must begin in all respect with the nature and character of educational activities that are to be supported by the community.(43,p.133)

While this statement was recorded in 1927, a concept of the budget presented by Ovsiew, Castetter and Koenig in 1967 reveals that the concept has changed very little. They say:

A budget may be defined as a specific plan for implementing organizational objectives, policies and programs for a given period of time.(48,p.209)

Probably the most comprehensive description of both what a budget is and how it has evolved was given by DeYoung. He describes a budget as a document containing three main parts:

- (1) The work plan which is a definite statement of the educational policies and program;
- (2) The spending plan which is a translation of the accepted policies into proposed expenditures; and
- (3) The financing plan, which proposes means for meeting the costs of the educational program. The school budget is then a complete educational and financial forecast...
(16,p.7)

He presents the evolution of the modern budget in both text and diagram.

First he says:

Formerly, the school budget consisted of one major item, viz., expenditures...Later, school officials imitating the business world drew up a budget of not only expenditures but of probable receipts...The modern school budget as indicated in Fig. 2, differs from a commercial or traditional budget in that the first is represented by an equilateral triangle.(17,p.585)

Modern school budgets should be built on this triangular plan, since it emphasizes the fact that the educational program desired locally ought to be determined before costs are calculated.(18,p.138)

In this way, resources can be allocated so as to obtain maximum

benefit because they are determined by a specific educational plan or program.

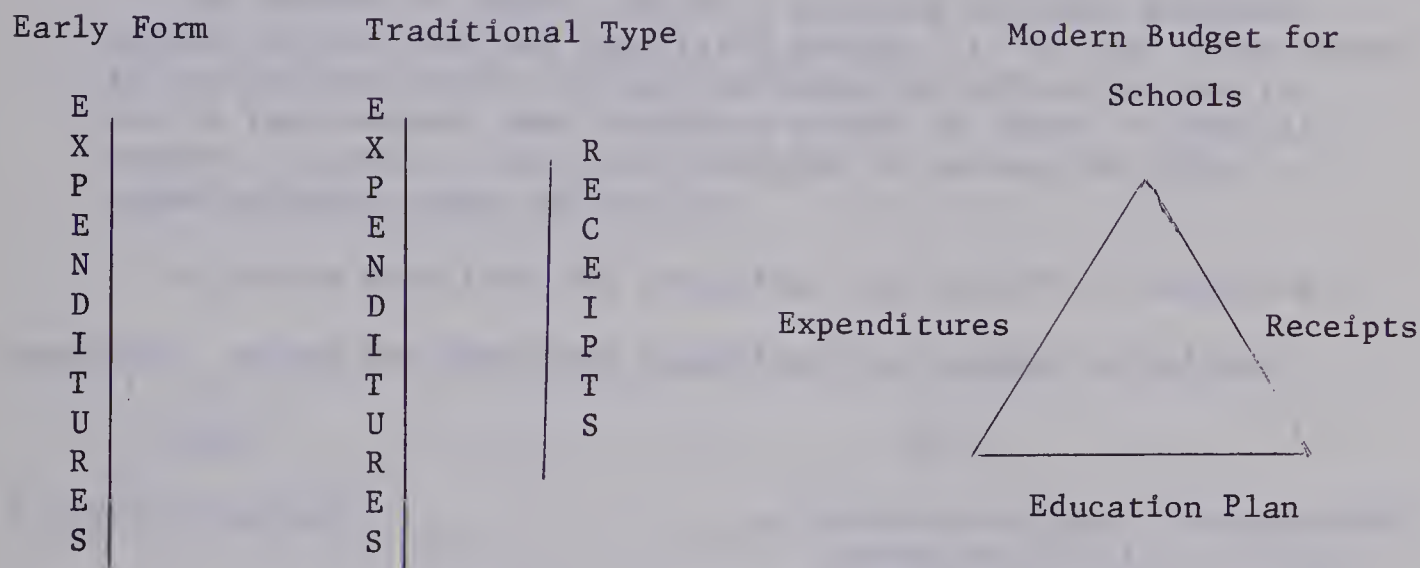


FIGURE 2

EVOLUTION OF THE SCHOOL BUDGET (FROM DEYOUNG,
INTRODUCTION TO AMERICAN PUBLIC SCHOOLS)

This contemporary concept of the budget is described by Ovsiew, Castetter and Koenig:

It embodies (1) descriptions of organizational activities and services requisite to the attainment of organizational goals; (2) estimates of expenditures and their allocations; and (3) forecasts of fiscal resources available to support the plan. (48, p. 209)

While the original purpose for budgeting was to control expenditures, the budgets described by DeYoung, Ovsiew, Castetter and Koenig are multipurpose instruments. Sears indicates that a budget is both a planning and control instrument:

The budget is a financial statement that directs and controls the development and expenditure of school moneys. It is a highly technical instrument because it embodies the essence of

the program of instruction...Every dollar spent goes directly or indirectly for some portion of materials and services used in the instructional program. (54,p.170)

In a later publication Ovsiew, Castetter and Koenig indicate that the concept of control is changing:

The concept of control which is evolving has been extended beyond the clerical and legalistic stages...It is used to determine if the revised social studies curriculum is effective, how it can be improved and what budgetary action is needed to make it better. In short, control is designed to assess the effect of organizational plans. (48,p.215)

As can be seen from the foregoing, our outlook on budgeting is changing. Ovsiew and Castetter summarized the changes as follows:

From:	To:
a control document	a continuous process through which educational policy is implemented
a managerial function	a process which elicits the involvement of administrators, teachers, laymen
an estimate of the probable income and expenditures	a means of inventoring unmet needs and the factors involved in satisfying these needs
an estimate of what can be done financially	planning for what ought to be done educationally
minor adjustments in the figures of previous budgets	careful attention to the adoption of an adequate program
a covert activity restricted to board officials, utilizing only the budgetary information required by statute	budget preparation by professionally trained educators; contains recommended program, explains policies, summarizes unmet needs; presents plans for satisfying such needs in the future; budget information given wide publicity

a device which confines
thought and action to a
fiscal year

a process of continuous planning
which envisions each budget as
a phase in the improvement of
educational opportunity (47,p.17)

Thus the concept of the budget has changed from that of a peripheral role, mostly concerned with fiscal control, to a central role in the planning and appraisal of the educational program.

II RECOMMENDATIONS OF AUTHORITIES ON THE BUDGET PROCESS

The nature of the budgetary process adopted by a school system is dependent to a large degree on the functions which a budget is felt to serve. If the budget is still viewed as an instrument for controlling expenditures, the procedure will consist primarily of a calculation of revenues and expenditures. However, if one accepts the budget as an instrument for analysis and planning of the educational program as well as a control instrument, the process will continue throughout the year and will involve a great number of people. As such it will involve a series of important procedures such as those recommended by Morphet and Johns:

1. The determination of the policies and purposes of the educational program.
2. The preparation of the educational plan to achieve the purposes agreed upon.
3. The preparation of the budget document to forecast the expenditures and revenues necessary to implement the educational plan.
4. The presentation, consideration, and adoption of the budget.
5. The administration of the budget.
6. The appraisal of the budget. (32,p.398)

Authorities in the field of educational finance suggest, therefore, that budgetary procedures should be thought of as a cycle of operations

with one phase or another in progress at some time during the year and with the last step of one cycle forming the initial stage of the next cycle.

As budget policies influence the various budgetary procedures, their characteristics and value will be described first. Then, the recommendations of authorities in educational finance as they relate to the preparation, presentation, adoption, administration and appraisal of the budget will be presented.

Budget Policies

Policies, as defined by Tuttle refer to:

...principles adopted by a board of education to chart a course of action for its administrator and to define the limits within which he shall exercise judgement and discretion. Essentially, policies are a guide to the what, the why, and the how much of the desired educational operation. (60,p.39)

Many people say that the most important duty of the school board is the developing of policies. The members of the 1962 Canadian Education Association Short Course expressed this point of view when they stated:

...the primary role of the school board should be to make policy with respect to buildings, budgeting, personnel, transportation, instruction and other materials. (10,p.16)

Co-operation in policy development. Most authorities agree that the policies should be co-operatively developed. Rees states:

A particularly important aspect of democratic administration is that those people who are affected by any policy should have some part in its formulation. Their assistance should be sought in collectively thinking through the solution to the confronting problem. (52,p.103)

Myhre asserts that the resulting policy will be more effective:

It is generally accepted that policies are likely to be most effective if they represent the co-operative efforts of a great many of the persons affected by them. (44,p.58)

Therefore, all individuals affected by school board policies should have a voice in their formulation.

Aspects covered in budget policies. Policies are essential to effective preparation, presentation, adoption, administration and appraisal of the budget.

Nelson, an authority on educational finance, recognized the importance of policy to budgets, emphasizing that:

Budget making should be accomplished on a policy basis. Thus, definite amounts per pupil for school supply needs, bus transportation facilities, allotment of equipment needs, and provision of non-certificated assistants will be budgeted on a policy basis rather than as a result of incidental planning. (45,p.8)

Cate and Lindsay noted the specific areas that these budget policies should cover:

In addition to having a policy requiring the use of a budget calendar, the district should have policies that govern such considerations as (1) scope of programs, (2) class size, (3) salary schedules, (4) non-teaching services, (5) inservice training, (6) supplies, and (7) equipment. These policies will help the administrator make decisions conform to long range goals set by the board and make possible the most efficient use of all monies through continuous evaluation of the educational program. (12,p.13)

Mitchel, who wrote extensively on budget policies, states:

If the needs for each kind of expenditure are once carefully analyzed and determined in relation to the overall financial program of the district, the conclusions may be stated in the form of written budget policies...If the budget policies are established in this manner...and brought together in the form of a printed budget manual, the budget preparation procedure becomes largely a matter of clerical routine and mathematical calculations. (37,p.2)

According to Mitchell, the expenditure objects, which represent nearly one hundred percent of the expenditures, including salaries, supplies, textbooks, library books, transportation, utility services, properties and insurance should be covered by the policy statements. In his book, sample policy statements, allotment formulae and statistical tables are given for each expenditure object. (37,p.13-59)

Policy statements should also define the responsibilities and practices for the various budget procedures. Ely states:

The administrative plan...should be carefully developed in relation to school philosophy, purposes and organizational pattern. The working procedures and responsibilities assigned to individuals should be clearly stated in a set of descriptions compiled in a budget manual. (20,p.650)

Value of written budget policies. Various authorities including Mitchell(37,p.2) and Ely(20,p.650) have discussed the desirability of written policies. Moehlman stated that written policies protect the board, the people, and the professional staff. (39,p.225) Myhre summarized in table form the values of a policy handbook as reported by board members. He found that board and administrators agree that a policy handbook tends to promote consistency, continuity, and stability of board action as well as to provide a ready reference to guide an employee's decision and actions in cases of doubt. (44,p.49)

Budget policies, if included in a budget manual can serve as a valuable means of communication.

The budget manual, written in layman's language, will provide a quick and adequate basis for understanding of the financial needs of the district...The board of education and the administrative staff are not on the defensive because the policy, if it is

sound and was well developed, will speak for itself. (37,p.4)

Mitchell suggests a "liberal distribution of budget policy manuals among the representatives of the press, community groups and the administrative and supervisory personnel..." (37,p.4)

Regular review of policies. The basis on which policies are determined change from time to time, therefore it is necessary that they should be reviewed at intervals and brought up to date. Mitchell suggests that this review could be done at the beginning of the annual budget preparation program. (37,p.2)

Preparation Of The Budget

As formerly stated, the authorities recommend that the preparation phase of the budgetary process should consist of the formulation of three plans:

1. The educational plan, which defines the policies of the school and the school program that is to be carried on;
2. The expenditure plan, which translates the education plan into costs;
3. The financing plan, which sets forth the means of meeting the costs. (42,p.351)

Most authorities suggest that the educational program or plan should be developed first (53,p.112; 19,p.179; 32,p.397; 15,p.170). Mort and Reusser put it this way.

The educational program must be the first consideration. It is of prime importance to the welfare of the children in the local community. The means of financing the educational program cannot be determined until it is known what is to be supported. (43,p.116)

Others like DeYoung recommend that all three be developed simultaneously. (18,p.143) Benson claims that it is unrealistic to develop the educational plan first because consideration of the ideal program in most districts can be nothing more than an intellectual pastime. (4,p.492)

The primary responsibility for co-ordinating the preparation of the budget should rest with the superintendent. However, in Alberta, 58 percent of the trustees expect the provincially appointed superintendent to act as an advisor only in regard to budget preparation; (22, p.70) in the same study finance was ranked least in importance of seven areas of administrative responsibility for the superintendent. (22,p.106) Nevertheless, Osview, Castetter and Koenig state that there is a development of considerable import to educational administration--the acceptance of the superintendent as the chief executive officer of the local school system. They comment on the trend:

It is his responsibility therefore, for (1) preparation of the budget, and for (2) acting as policy advisor to the board throughout the budgetary process. Although this trend may not be recognized everywhere, the rate of acceptance is quickening and argues well for improvements in the administration of public education. (48,p.229)

The superintendent should know more about the needs of the system as a whole than anyone else; he also has the professional background to keep the proper perspective between finance and its relationship to the educational program. (34,p.29) A further reason advanced by Reeder is that since the superintendent has been given the primary responsibility for the efficient operation of the system, he should also be given the responsibility for performing the task which has much to do with determining the efficiency of the system, the preparation of the budget. This does not imply that the superintendent

must collect and organize all data in person; nor does it imply that the superintendent should have the final responsibility of approval. (51,p.360) Therefore, the superintendent should co-ordinate the preparation of several drafts of the budget in tentative form. This approach to educational planning i.e. the weighing of alternative means to accomplish stated objectives, according to Benson, is the essential feature of effective budgeting in the schools. (4,p.475)

Preparation of the educational plan. Most authorities agree that the formulation of the educational plan should be the basis on which the whole budget is built because it serves as a constructive force for building meaningful programs, as well as insuring that the budget will be better balanced educationally. (18,pp.144-145) Furthermore, it serves as a means for setting up priorities as well as a means by which the budget builder can justify his requests for increased expenditures. Hill and Colmey state:

The annual school budget is the basic device for developing and carrying out an educational plan. It is a powerful tool for educational leadership. It is possible to use budget preparation procedures to broaden participation in school administration. When the administration, the board of education and the community know the facts about educational opportunities for children, or the lack of them, better schools tend to be developed and supported.

The school budget is sometimes simply defined as an educational plan expressed in terms of dollars and cents. (30,p.79)

Seventy-five percent of American superintendents maintained that the educational plan, spelled out in understandable and attainable sub-goals for divisions, schools, and classroom units, should form a part of the budget document; but less than 3 percent of these same superintendents included such a statement in their documents. (35,p.138) Corbally reacts to this situation as follows:

...to claim that it is practical to spend millions of dollars in an enterprise without the assistance of a basic "production plan" seems most impractical. (17,p.171)

He brands it as "bandwagon curriculum building". (15,p.171)

Most authors recognize that wide involvement in this stage of preparation is desirable. Participation of both school employees and lay citizens will not only provide useful information on which to build a budget, but will facilitate the acceptance of the budget later. Greider says:

Wide participation in appropriate connections is certain to culminate in better financial planning than would otherwise be the case. Budgeting is not a one man job, nor even a job solely for the budget making division of a large city school system. In the end, all suggestions must be brought together, sorted out, and translated into financial terms before the final selection is made for incorporation in a proposed budget. This budget operation provides the supporting data so essential in justifying budget requests to the appropriate body--the school board. (25,p.23)

Gallagher made a study of the relationship between the number of voluntary groups used in educational planning and the quality of education; the result indicated a close relationship between these two factors. (42,p.164) The findings in this research were supported by a statement made by Mort:

There are straws in the wind that suggest the conclusion that vigorous support for public education is associated with closeness of the relationship of the people with the budget-determining process. (42,p.85)

School boards in Alberta expect the provincially appointed superintendent to assume the leading role in instructional leadership which would include the formulation of the educational plan or program. (22,p.106) The role played by lay citizens and educators in this planning, however, will differ. As Corbally says:

In spite of the fact that there is sometimes conflict in the roles played by educators and by lay citizens with regard to the school, there seems to be essential agreement that the development of the statement of purposes and program for the school district is a process in which lay citizens should have a dominant voice. (15,p.168)

On the other hand he says:

The details involved in implementing the plan will be developed by the professional staff without a great deal of community involvement. (15,p.171)

Knezevich and Fowlkes elaborate further:

The educational plan is much too big to be spelled out by the superintendent alone...It points to the need for involving the entire teaching force of the system...(34,p.21)

As a result, the Department of Education in Alberta utilizes curriculum committees consisting of teachers both at the local and provincial levels. The co-ordinate role of superintendent is appropriately described by Roe:

The organizational genius is not the administrator with the most brains, but the administrator who can best utilize the brain power of his staff and community in the creative planning that needs to take place...(51,p.43)

Following the receipt of requests for changes in the educational purposes and program, the superintendent and board must set up a system of priorities and resulting policies. (48,p.213) DeYoung suggests specific areas which policies should cover, thus facilitating budgeting:

1. What shall be the limits of class size and teaching load?
2. What shall be taught in the curriculum?¹

1

Even though the curriculum in Alberta is largely prescribed by the Department of Education, school boards can exercise discretion in the quality of programs; they may also direct that certain options be taught in junior and senior high school.

3. What shall be the upper and lower limits of formal education at public expense?²
4. What policy shall be pursued relative to the purchase, at public expense, of books, supplies, and other materials? (16,p.30-37)

Rosenstengel and Eastmond add to the list as follows:

1. What should be the supervisory program?
2. What should be the inservice program for teachers and other employees?
3. What should be the qualifications of the teachers?
4. What should be the policy pertaining to financing co-curricular activities? (19,p.179)

Morphet and Johns claim that the education plan should answer the following questions as well.

1. What provisions should be made for exceptional children?
2. What provisions should be made for pupil transportation?
3. What provisions should be made for clinical and guidance services?
4. Should summer school be offered for enrichment and recreation? (32,p.403)

When the purposes and general guidelines for the program have been agreed upon and formulated into policies for the district, the final result is a comprehensive written statement describing the educational program.

Preparation of the expenditure plan. Among the most practical aids recommended by most authorities for the preparation of the expenditure plan is the budget calendar. Engelhardt and Engelhardt define it as "a calendar of things to be done, by whom they are to be done, and when they must be done..." They indicate also that:

²In Alberta, a board can decide if it wishes to provide a kindergarten. The School Act--Section 395.

Such a procedure cannot be standardized for all school systems, but must be developed for each organization after a careful study of the local problems. (21,p.510)

By following a budget calendar a board should make budgeting a year-round activity; the board should be considering and reaching agreement on different alternatives throughout the year, thus eliminating hasty decisions at the presentation and adoption phase. (32,p.404)

Budget calendars are not required in Alberta under statute law or the regulations.

Some of the essential characteristics common to all calendars are given by Ovsiew and Castettner:

1. Fixed dates for performing certain acts in the budget cycle.
2. Fixed responsibilities for performance of certain budgetary acts.
3. Kinds of information needed are specified, and responsibility for gathering data is delegated.
4. Provision is made for staff participation as part of the budgetary process in developing budgetary needs.
5. Means for the lay public and interested community groups to share in the budget review are specified.
6. Budgeting is viewed as a continuous co-ordinated, systematic process. (47,p.123)

While a budget calendar is useful in the preparation of the educational plan, it is far more valuable in the development of the expenditure plan since such a variety of data must be collected and analyzed.

Ideally, the budget calendar should be part of a long range plan, whereby the educational program, expenditures and revenues are projected over a period of years. Ovsiew, Castetter and Koenig conclude:

...budgets can be planned and operated effectively for longer than one school year...;one of the major assumptions of organizational planning is that the long-term plan takes precedence over any short-term one. (48,p.213)

The selected span might vary, but Briscoe suggests five years as a desirable period because school populations can be estimated without having to guess at birth rates. (7,p.46)

To achieve a well-proportioned expenditure plan; DeYoung suggests three kinds of historical material: (1) surveys, (2) child accounting, and (3) cost accounting. (18,p.148) National and provincial surveys on per pupil costs for various aspects of school system operation can point out areas of weakness.³ This is especially true regarding current expenditures, numerical staff adequacy, salaries and wages, custodial requirements and pupil-staff ratios. Norms can be helpful to school boards in comparing their relative effort in selected budget categories. Enrolment trends, attendance registers, and census records should form the basis for determining the number and type of teachers required, as well as the amount of instructional materials, equipment and special services needed. If the system has a good accounting system, the audits of the previous two or more years should be employed in giving comparative data as to the cost of services, materials and equipment by function, character and

³For national and regional norms see the following:

January issues of School Management.

Paul R. Reason and Alpheus S. White. Financial Accounting for Local and State School Systems. (Washington: Government Printing Office, 1957).

U.S. Department of Health, Education and Welfare, Staff Accounting for Local and State School Systems, Third Draft. (Washington: U.S. Office of Education, 1962), mimeographed.

Orlando F. Furno. "How Is Money Being Spent By Your Spending Equals?" The Cost of Education Index, New York: Pitman Publishing Corporation, 1965.

Research Division of National Education Association.

location. The importance of cost accounting is emphasized by Mort, Reusser and Polly: "No satisfactory budget can be prepared without a thorough going method of financial accounting and cost analysis." (42, p.356) Benson sees more detailed cost accounting as a means to strengthen decision making because:

1. It would point up operating economies in the non-educational areas such as lighting, bus maintenance...
2. It might cause administrators and trustees to see if their allocation of school funds is in accord with their educational philosophy. (4, p.498)

Therefore, greater specificity needs to be maintained in financial record keeping.

A valuable technique for gathering current data is the use of the workbook or file in which materials can be collected throughout the year. Rosenstengel and Eastmond indicate the nature and value of material collected:

This file may contain information on costs, budget changes, insurance premiums due, requests made by individuals, and any other information which may be needed in the actual process of estimating expenditures. Such a method helps to insure a more complete budget and also helps to make more accurate estimates. (17, p.189)

DeYoung and others recommend standardized lists of supplies and equipment, which staff and (or) administrators can employ as request forms. Rosenstengel and Eastmond suggest that such requests for supplies be made on two levels, minimum and desirable. (19, p.183)

To increase staff participation in budgeting, Avery recommends a form of decentralized budgeting whereby \$x per student is differentiated according to grade level and allocated to each of the school districts for the purchase of supplies and smaller equipment. (2, p.47)

Haake, Superintendent of Mamaronerh Schools, describes such a decentralized budgetary system consisting of requisition forms and multi-level conferences between teachers, principals and the superintendent.

Haake comments on the reactions of teachers and trustees:

My board members like it because it saves them time...And our teachers like it because it gives them a real voice in the tools they use in the classroom. (27,p.103)

Morphet and Johns also claim that there should be some system of budgeting for the individual schools: "If no plan is provided...an over-aggressive principal may requisition a disproportionate share for his school. (32,p.410) Other means for collecting current data are the board minutes, preventive maintenance and renovation schedules, and inventory records. (58,p.32)

Following the analysis of historical and current data, there remains the difficult task of drafting the estimates. Most authorities claim that lump sum estimates are inadequate and incompatible with modern financial theory and practice; detailed analysis is needed if economy and efficiency is to result. Nelson supports the idea of a detailed budget emphasizing that:

...the budget should be developed on a "line by line basis." There is no place for the word "miscellaneous" in budget making. Likewise, lump-sum appropriations should be avoided...In so far as possible, exact amounts should be avoided. To do otherwise destroys confidence in the integrity of the board and administration and does not present a true budget picture. (45,p.8)

Ogden has said that "The budget, if properly prepared is neither padded nor skeletonized. (46,p.34)

Good organization requires that the estimates be classified to denote the exact purpose for which the money is to be spent. The

nature of the classification system is outlined by Morphet, Johns and Reller:

The estimates of receipts and expenditures should be classified under the same revenue sources and accounts classifications as are in the ledgers of receipts and disbursements for the accounting system. This is essential to proper budget control. (41,p.469)

Some administrators divide the expenditures of the budget into classifications based upon buildings and/or upon the school organization--elementary, junior high and senior high school. (19,p.183)

Usually the complexity of the operation of a school system demands a combination of character classification and sometimes an object or location classification. Within the classification system according to Ovsiew and Castetter there should be a development of expenditure priorities: "Although more money is always useful, what really counts is where the money is applied and the wisdom of its use." (47,p.34)

As the superintendent must be prepared to interpret and explain the estimates of the expenditures, it is desirable to have written explanations opposite the major categories. DeYoung states:

All increases should be substantiated by re-enforcing data and facts. Columns of figures do not speak for themselves. (18,p.152)

One trustee in Green Bay, Wisconsin, comments on the above procedure: "This is the first time that anyone has been able to understand the school budget." (2,p.58)

The whole process of formulating the expenditure and financing plans is an executive task. An Alberta study indicated the greatest amount of conflict occurs between the superintendent and secretary-treasurer in school finance of seven administrative areas examined.

Superintendents preferred more responsibility while secretary-treasurers preferred less. (36,p.76) Although the Alberta Department of Education has supplied school divisions with "Suggested Distribution of Duties" (Appendix F), conflict possibly occurs in developing the expenditure and financing plans. Casey elaborates on the responsibilities typically assigned to the secretary-treasurer:

1. Preparation and distribution of budget forms for use by all schools and departments...
2. Co-ordination of the budgets submitted by individual schools...
3. Development of cost estimates for proposals that would change the number of professional staff members or their compensation.
4. Development of proposals for changes in number of or compensation for nonprofessional or supporting staff members.
5. Submission of data on district-wide maintenance and capital construction projects.
6. Assisting the superintendent in an administrative review of the preliminary budget in order to establish priorities.
7. Combination of approved requests into a total receipt and expenditure program and preparation of the formal budget document.
8. Assisting the superintendent in the presentation and discussion of the budget with the board of education. (11,pp.20-21)

Preparation of the financing plan. Once the expenditure plan has been developed, it is time to develop the necessary corollary--a plan for securing the revenue which is required to support the plan. Usually, there are two major sources of school revenue: (1) grants from state or provincial sources, and (2) revenues from local taxation.

A problem that influences the estimation of revenue from grants and from local taxation is the discrepancy that often exists between the tax year and the fiscal year of the school system. Most authorities agree with Simpson and Lake, who proclaim:

July 1 to June 30 seem to be the best dates for the beginning and the end of a school fiscal year. School needs can be planned more wisely when a complete school year falls within the fiscal year. (55,p.358)

When the tax year and fiscal years do not coincide, the administrator must budget for a revenue fund balance or a "carry-over fund" sufficient to cover expenditures until receipt of grants and (or) tax funds. (55, p.358) Morphet and Johns comment on this balance:

This balance should not be considered as a surplus, but as the operating balance necessary for the board to pay all bills on time, without having to resort to short-term borrowing. (32, p.405)

After the amount available through provincial or state grants has been computed, the revenue to be raised locally by property taxation must be calculated. Both historical and current data should be utilized in arriving at the local tax rate.

Helpful historical information on assessed valuation, tax rates and collections can be gleaned from account books, audits, annual financial reports and assessors records. (18,p.155) Rosenstengel and Eastmond suggest that at least three years of data should be given in order to show trends. (17,p.190) DeYoung states that in some instances it is advisable to extend the data on receipts back ten years. (16,p.155) Tabular and graphical representations of the data are recommended for improved analysis.

The procedures used in collecting current data for estimating receipts are somewhat similar to those for expenditures; the budgetary calendar, file, inventory forms, newspapers, conferences, records and other devices are employed in estimating both receipts and expenditures. (18,pp.156-157) As consideration must be given to the ability and

willingness of the taxpayer to support education, current economic conditions must be considered.

In drafting the revenue estimates, the budgeteer may find it necessary to revise the preliminary expenditure estimates. If "cutting" is required, the least essential services or programs should be cut; this is more acceptable than making a percentage cut across the board. (15,p.176) An attempt should also be made to retain a uniform mill rate. Mort, Reusser and Polly explain why:

If the amounts to be levied are shown to be fairly consistent over a period of years, the program is more likely to be accepted than if the needs fluctuate greatly. (42,p.358)

In Alberta, the advice of the Department as specified in Section 301 of the School Act should be sought in arriving at a uniform and consistent mill rate.

To further link the budget with the accounting used by the school system, the receipts should be classified as to source and destination. (19,p.190) Thus, funds will be classified in the same manner as expenditures. DeYoung suggests that districts should employ the state classification if the final budget is to be prepared on a set form (16,p.151).

The preparation of the revenue plan is an executive act; therefore, it should be placed largely in the hands of the superintendent of schools under the direction of the board. (42,p.358)

Format of the budget. As required in Alberta (Section 301) a condensed budget format for reporting expenditures and revenues to approving bodies is often prescribed by law. (Appendix D) Speaking

about the inadequacy of such documents, Mort, Reusser and Polley indicate that: "The school district budget must be much more detailed and must contain much more explanatory and supplementary material..." (42,p.359)

Roe suggests the following table of contents for a comprehensive type of budget:

Title

Letter to the Board of Education

Table of Contents

Educational Philosophy and Objectives

A Look at the Years Ahead--Growing Pains

Educational Plan for Next Year

Financial Statement for Next Year--Summary of Expenditures and Receipts

Detailed Breakdown of Expenditures by Classification and Sub-Classification

Supporting Data for Expenditures

Comparison with Revenue and Expenditures for Previous Years

Comparative Data of Interest

A Discussion of Revenues

Conclusion(53,pp.87-88)

Often part of the budget document, the budget message is a written explanation and interpretation by the budget maker which acts as a means of presenting his proposals in more meaningful and understandable form. Among the items often included are: (1) a statement showing the financial condition of the district, (2) a statement of the educational policy and plans for the coming fiscal years, and (3) a statement setting forth the conditions which are influencing school costs.(42,p.360) In surveying the preparation and presentation of budget messages in large cities, Bracken found that 91.9 percent of those responding believed that a formal budget message was highly desirable.

"Brief descriptive paragraphs should also be inserted to illustrate the kinds of goods and services and the purpose of their use for the various expenditure categories." (15,p.179) Space is not provided for such supporting statements in the Budget Report Form of the Province of Alberta. Hansen and Harris report on the results of using such written explanations:

This is the first time that anyone has been able to understand the school budget. In the past, figures were explained orally and people don't always remember what they hear only once. Written explanations are what have made the difference. (28,p.371)

Reeder also feels that a written justification should be made for each expenditure and revenue item especially when increased appropriations for the item are requested. (51,p.371)

According to Morphet and Johns, the supporting schedules should include:

...the assessed valuation, tax rates required, salary schedules...trends in average daily attendance, enrollments,...various types of cost analysis,...and any type of information needed by the board and the public to make intelligent decisions concerning the budget. (32,p.405)

Such a budget which presents the complete educational, expenditure and revenue plans often goes by the descriptive title, "Performance Budget." DeYoung comments on its characteristics and advantages:

Performance budgeting improves traditional budgeting by calling for a brief succinct explanation in support of each item of expenditure, in terms that are simple and meaningful, and that tell the layman what is achieved rather than what is bought. (18,p.169)

Efforts should be made to prepare such a document for public consumption so that achievements rather than a listing of figures are seen

as the heart of the budget.

Presentation and Adoption of the Budget

Presentation. The proper presentation of the budget to the board, to the public, and to the staff can do much to enhance the careful planning and work that went into its preparational phase. In Alberta, every board meeting is open to the public(49, S171); however, a formal budget presentation or message to the public is not required.

A continuous flow of information throughout the year from the superintendent to the board on budget matters will make presentation of the budget much easier. In support of keeping the board continuously informed, Sears says:

In reality the board's first concern should be with what the schools are going to try next year. If the explanation of this is left to the budget meeting it cannot be hoped that the board will understand it...Every major alteration of the school program that is to be proposed for the action of the board, whether it involves large or no financial consideration, should be no news to the board when it comes time to vote on the budget. (54,p.251)

Morphet and Johns elaborate further:

...the board should have the opportunity to consider various alternatives in the educational plan...throughout the year. Many decisions affecting the budget for the ensuing year will have been reached...before the budget document is finally presented to the board. (32,p.407)

Regarding the presentation of the budget, Nelson suggested:

In accordance with the recommended budget calendar, a sincere effort should be made to have citizens and employees understand and react to the budget of the school district. This tends to develop a "we" attitude rather than a "they" attitude regarding the board and the school district...(45,p.8)

The time at which the budget is presented to the board

depends on whether the budget is in tentative or definite form. At any rate, it should be presented long enough before the date for adoption to give ample time for study and interpretation. Morphet and Johns state:

The superintendent should present the budget document to the board several weeks before the board finally adopts it. No board should be asked to adopt a budget the day it is presented. (32,p.407)

DeYoung suggests that the budget be handed out at the session prior to the official presentation. (30,p.159)

"Advance preparation for the presentation speech promotes acceptance of the budget..."(18,p.159) Therefore, a checklist such as DeYoung's should be employed in order to ascertain whether all pertinent material is included in the document as well as in the presentation speech. (16,p.474)

By using pictures, diagrams, charts and audio-visual aids, the administrator should be able to justify all expenditures. The superintendent's role is described by Church:

...he must be informed on all items included in the budget and know the legal restrictions governing appropriations and school revenue. He should, as well, be fortified with all needed data to sustain budget requests, knowing better than anyone else...the needs and obvious sources of revenue. (14,p.32)

The public should be kept informed prior to budget adoption since they will have an influence on board members' opinions. Reeder suggests four approaches:

1. Give out school budget information through newspapers.
2. Hold a public hearing on it.
3. Publish and disseminate a bulletin on it.
4. Give addresses on it before educational and civic groups... (51,p.308)

As the school budget is the public's business, Ovsiew and Castettner claim that some device or means should be employed to insure or at least encourage public review of the budget. (47,p.55)

Adoption. The formal act of the school board approving the proposed budget is known as budget adoption.

Roe elaborates on the adoption process:

Approval, as a part of the budget process should be going on throughout the year as the board deliberates on various projects. The enterprising administrator brings to almost every board meeting studies, research projects, experimental programs and proposals that require careful consideration and deliberation of the board and finally its approval. Adoption of the budget is but the formal acceptance of many projects that have been carefully studied, considered and approved throughout the year. (53,p.93)

According to experts, the final draft of the budget should be presented and adopted before the beginning of the fiscal year.

Morphet and Johns elaborate:

The budget should be adopted before the beginning of the fiscal year for which it is to serve, but only after the legislative body...has had ample time for analysis and review. (32,p.397)

Reeder was more explicit when he notes that authorities believe that the budget should be prepared and adopted from sixty to ninety days before the beginning of the fiscal year to which it applies. (51,p.369) If the state and federal appropriations make adoption impossible before the fiscal year, the situation is described as "unfortunate because it prevents desirable advance planning." (32,p.408)

DeYoung suggests a period of two to three months between official presentation and adoption. Adoption of the budget accompanying

its introductory presentation does not allow for analysis and comprehensive consideration; furthermore, it allows no time for discussion by interested citizens. (18,p.164)

The adoption of the budget calls for a motion and a formal roll call vote by the board. This resolution along with pertinent data should be carefully recorded in the minutes of the approving authority. (32,p.397)

If the board is required to submit the budget to the provincial or state department of education, the process should be limited to checking the budget to see that it complies with the law and that expenditure and revenue estimates are realistic. The department should serve as a consulting service during all stages of budget development, similar to that service provided to school boards in Alberta. (32,p.408)

After the estimates have been formally adopted by the board, notification of such action should be relayed to the school personnel, the public and the collecting authorities. The superintendent should notify the various departments as to the exact amount allotted to their particular unit. Also, the public should be informed through the mass media and (or) brochures.

Administration of the Budget

Administration of the budget has been defined as:

...the carrying out of the plan of receiving and accounting for the receipts that are due the schools and of making expenditures for personnel, materials, supplies, etc... (42,p.363)

According to Morphet and Johns, it involves:

1. the controlling of expenditures so that the educational plan is accomplished;
2. the development of work plans for each undertaking in the budget;
3. the implementation of work plans.(32,p.409)

Allocation of responsibility. The direct responsibility for administering the budget is usually delegated to the superintendent, who has the specialized training and the educational background to oversee this most important task.(42,p.362) In the dual or multiple administrative structures, the responsibility is usually shared by two or more co-ordinate officers, each answerable directly to the board.(16,pp.332-333) In 1961, Hencley found that 50 percent of the superintendents in Alberta felt that they worked as equal partners with the board and secretary-treasurer. He concluded, however, that board members consider the superintendent's role to be something less than an equal partner.(29,p.88) Although Twente suggests that there should be evidence of clearcut allocation of responsibility,(60, p.82) research by Hencley(29) and Matson(36,p.76) appears to indicate that this is frequently lacking. Therefore, it is up to the superintendent, secretary-treasurer and the board to establish procedures and lines of authority so that each of the budget areas is handled efficiently.

Budget control. Daily use of the estimates is made possible by transferring the budget appropriations to the corresponding appropriate columns in the account books. This arrangement: (1) makes

the historical record complete, (2) authorizes expenditures up to a certain amount, (3) controls expenditures particularly if accrual accounting is employed, (4) encumbers the funds, (5) facilitates ready references, (6) simplifies preparation of periodic reports, and (7) aids auditing of accounting. (16, pp. 324-325) Knezevich and Fowlkes elaborate on the authorization of expenditures:

The authorization to expend the amounts appropriated and as stated in the budget document should be delegated to the superintendent... So long as he expends funds within budgetary allotments, there should be no need for board approval prior to purchase. (34, p. 21)

Centralized administration of the budget is essential to control; therefore, accounts should be encumbered when a purchase order has been issued or a contract signed (accrual accounting). If the accounting system does not permit this, it is desirable to develop a procedure for encumbering salary accounts as contracts or salary notifications are received. (13, p. 168)

An accounting system "keyed" to the budget facilitates budget control and monthly reporting of appropriations and expenditures to date. Morphet and Johns state:

The superintendent should make a monthly financial report to the board which shows clearly the board's financial condition in relation to its budget. (32, p. 409)

If any form of decentralized budgeting is employed through the individual schools for equipment, supplies, etc., the principals and staff should also be kept informed on the condition of these accounts. (32, p. 410)

Budget transfers. Despite careful estimating, receipts may

be more or less than estimated and necessary expenditures for different budget accounts may also vary. Therefore, transfer of monies from one appropriation division to another is frequently necessary. As the budget should not become a "straight-jacket" and destroy local initiative, procedures should be developed for changes in appropriations. Fluckeger deals with this as follows:

No increase should be made in an expenditure budget without either a corresponding reduction in another expense category, or a corresponding change in a surplus account...

All changes must be approved by the same authority which approved the original budget...

The budget officer or his responsible subordinate must review, periodically, income expectations and expenditures relative to remaining requirements and must recommend necessary changes. (22,p.26)

Therefore, all budget transfers among major budget categories should be made by a budget amendment approved by the board.

Funds for emergencies. Changes in the costs of goods and services and the occurrence of unforeseen and uncontrollable events create imbalances in the adopted budget. According to Mort, Reusser and Polley, the three most frequently found provisions for coping with such emergencies are:

- (1) placing an emergency fund in the school budget.
- (2) providing for additional taxation or appropriation.
- (3) borrowing money on the credit of the district to meet current needs. (42,p.364)

Commenting on emergency or contingency funds, Osview and Castetter suggest, "...an earmarked 'Reserve Fund' is preferable to the practice of padding items of the budget." (47,p.102) Emergency or contingency funds should be limited to one or two percent of the total school budget as a large fund negates the purpose of budgeting; such funds

should be used only under defined emergencies, and then only with the approval of the school board. (55,p.334)

Unexpended balances. The practice of accumulating large balances indicates laxity in budgetary control and educational planning. As these large surpluses increase the chance of revenue losses and create opportunities for the development of practices not conducive to sound business administration, certain methods are recommended for disposing of the unexpended balances. They include:

1. The appropriation of unexpected balances to the next fiscal year.
2. Lapse of appropriation.
3. Transfer of balance to another fund.
4. Reversion of balance to general fund. (55,p.368)

Most authorities agree that appropriation of unexpended balances to the next fiscal year is most conducive to sound budget administration. (55,p.308)

Development of work plans. The nature of these work plans is given by Morphet and Johns: "Buildings must be constructed, repaired, and operated; supplies, books and equipment must be purchased; programs must be organized; people must be hired..." (32,p.409) In developing the work plans, the superintendent has the responsibility of encouraging initiative and a feeling of individual responsibility at all levels of the school system.

Appraisal of the Budget

Budget appraisal, a task of both the board and executive,

is the continuous process of reviewing the process and document to determine whether the budget is really functioning in the administration of the schools. It is only through an honest appraisal that improvements will be made in the entire budgetary process. (11,p.195)

A number of means are available for appraising the budgetary process and the budget document. Simpson and Lake recommend regular reports, post-audits, surveys by outside experts, continuous self criticism and checklists. (55,p.341) Rosenstengel and Eastmond elaborate on the values of operational audits and regular reports:

...(they) enable the board to pass judgement upon the degree of accuracy of the budget. These reports also serve as a good medium for keeping the board informed on the administration of the budget. (19,p.195)

However, Rosenstengel and Eastmond maintain that the best method of budget appraisal is by continuous study throughout the entire year:

Through accurate accounting and reporting, one may see some of the weaknesses and make the necessary changes the next year. The budget will improve...in proportion to the degree that the administrator plans, administers and evaluates the current document. (19,p.196)

Checklists, based on established criteria, procedures and staff studies, can become useful in pointing up weaknesses, especially when they are adapted to and used in the same community over a period of years. (55,p.368) Morphet and Johns have established a checklist of twenty-two points on the ideal budgetary procedures. (32,pp.411-412) Vosecky, after reviewing the studies on budgetary procedures, summarized the recommendations on which there was consensus in the form of eleven principles for appraising school budgetary practices. (61,p.119) Baum established a "criteria Checklist" of

100 points under the following headings: (1) The School Budgetary Process, (2) School Budget Form, (3) Budget Committees, (4) Preparing the Budget, (5) Advertising the Budget, (6) Adoption of the Budget, (7) Budget Limitations, and (8) Budget Controls in Operation. (3, pp.17-18) Lovik prepared a document entitled "Checklist for the Evaluation of School District Budget Procedures." (35, pp.308-317)

III CHAPTER SUMMARY

An extensive review of the literature indicates that certain guidelines should be followed in the various budget procedures. The following checklist summarizes the major ideas recommended by the authorities for effective budgeting in educational financing.

I. Budget Policies

1. Has a written set of general budget policies been developed and adopted by the divisional board?
2. Are the following areas specifically covered by the policies?
 - a. preparation responsibilities
 - b. presentation responsibilities
 - c. administration and appraisal responsibilities
 - d. educational plan
 - e. budget calendar
 - f. provision for wide use of personnel
 - g. administration responsibilities
 - h. responsibility for budgetary control
3. Are budget policies evaluated and revised annually?
4. Are those personnel affected by new budget policies given the opportunity to be involved and react to such policy?

5. Do policies provide for lay assistance in budget policy formulation and other budgetary matters?

II. Preparation of the Budget

1. Have personnel lines of authority and responsibility been clearly established for preparation of the budget?
2. In preparing the various facets of the budget, which of the school system's personnel are involved?
3. Have standardized lists of equipment, supplies, aids, etc. been prepared to assist in the preparation process?
4. Is the main budget sub-divided into sub-budgets for purposes of control and involvement of staff from within the individual schools and departments?
5. Is the preparation process on a continual basis?
6. Is a budget calendar utilized?
7. Is the budget prepared on a line-by-line basis?
8. Which areas are automatically covered in the budget because a standardized formula or unit amount has been allocated to it on a policy basis?
 - a. instructional supplies
 - b. library and reference books
 - c. playground equipment
 - d. teaching aids
 - e. office equipment
 - f. transportation for extra-curricular activities
 - g. clerical assistance
 - h. audio visual equipment
 - i. classroom supplies
9. Have priority items been clearly noted in the budget so that an orderly cut-back can be made if necessary?
10. Which supporting documents are prepared and included in the budget document?
 - a. written explanation of the educational program
 - b. cost of living index
 - c. written statements justifying increases and decreases

10. Continued
 - d. salary schedules
 - e. pupil enrolment projections
 - f. pupil attendance by grades and schools
 - g. pupil-teacher ratio
 - h. teacher teaching load
 - i. analysis of certificated salaries, number and position
 - j. bonded indebtedness and schedule of retirement
 - k. sources and amounts of revenue
 - l. construction plan for 1, 2, 3, or 4 years
 - m. maintenance program
 - n. equipment replacement schedule
 - o. historical record of pupil attendance
 - p. assessment and mill rate trends
11. Is long range capital budgeting in evidence in the yearly budget?
12. Are a wide variety of procedures and documents employed in developing accurate expenditure and revenue plans?
13. Are three or more years of historical data used in developing the estimates?
14. Is the educational plan developed prior to the expenditure and revenue plans?
15. Are budgetary requests by staff members made on two levels--minimum and desirable needs?
16. Is the contingency fund greater than 1 or 2 percent of the total budget?
17. Are successful measures employed to maintain a relatively stable supplementary requisition rate?

18. Does the budget provide for a revenue fund surplus at the end of the current fiscal year sufficient to carry the division until receipt of revenue?

III. Presentation and Adoption of the Budget

1. Has an organized plan been established to assist staff members in understanding the budget, both before and after adoption?
2. Do staff members have any opportunity to react to the preliminary budget?
3. Has a public relations program been established to assist the community in understanding the various aspects of the division's budget?
4. Has an effort been made to encourage the community to attend the open budget meetings?
5. Are media such as newspapers, radio and pamphlets used in presenting the budget?
6. Are copies of the budget made available to the public?
7. Are each of the collecting authorities (municipalities) represented at the budget meetings?
8. Is the proposed budget given to the members of the divisional board well in advance of the regular budget meeting?
9. Have deadline dates been established in the budget calendar for presentation and adoption of the budget prior to the commencement of the new fiscal year?
10. Does the division allow for a "cooling off period" after the budget presentation before final adoption?
11. Are various personnel given an opportunity to participate in the presentation process?
 - a. board members
 - b. superintendent
 - c. secretary-treasurer
 - d. assistant superintendent
 - e. principals
 - f. teachers

IV. Administration and Appraisal of the Budget

1. Have responsibilities been established for personnel in the division who are held responsible for budget administration, control and appraisal? Which personnel have been delegated responsibilities?
2. Is accrual accounting or some similar system used to ascertain the unobligated balance in each budget account?
3. Are budget income and expenditure reports made to the board on a monthly basis?
4. Do the chief school administrators and trustees receive personal copies of the monthly income and expenditure reports?
5. Are budget transfers made only with an amendment passed by the board?
6. Do policies indicate what financial measures should be employed to meet emergencies?
7. Are surplus funds from a fiscal year transferred to the new fiscal year?
8. Are various techniques employed to appraise the effectiveness of the budget document and procedures?

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CHAPTER III

BUDGET POLICIES

This is the first of four chapters that reports the findings derived from the study. The following aspects related to budget policies in school divisions of Alberta are examined: the status of written budget policies, evaluation and revision of budget policies, areas specifically covered by budget policies, personnel affected by budget policies and the adequacy of budget policies. The portion of the questionnaires dealing with budget policies in school divisions was responded to by superintendents.

I POLICIES AND BUDGET PREPARATION

The budget procedures should be controlled by written budget policies which describe the practices and the lines of authority and responsibility necessary for efficient budgeting.

Status of Written Budget Policies

In a multiple-choice type of item, superintendents were asked to indicate the statement which best described the budget policies of their division. Eleven divisions (46 percent) indicated that no written budget policies had been developed and adopted by the board. In nine divisions (37 percent), the budget policies are found

throughout the minutes of the board meetings. Two divisions (8 percent) have their budget policies included in a budget manual for the information of the board, secretary-treasurer and superintendent, but not for the principals. One division (4 percent) indicated that their policies were included in a budget manual which was distributed to the trustees, secretary-treasurer, superintendent, and principals. One division (4 percent) indicated that some of their budget policies were included in the divisional handbook of policies, regulations and practices.

Evaluation, Revision, and Adoption of Budget Policies

Only the superintendents in the thirteen divisions having any form of written budget policies responded to the multiple-choice items pertaining to the evaluation, revision and adoption of the budget policies. One division (8 percent) indicated that their budget policies were evaluated and revised semi-annually. Eight of the thirteen divisions responding (62 percent) stated that their policies were revised annually. No school divisions revise their budget policies on a bi-annual basis. In four divisions (31 percent), the policies are revised very infrequently.

Areas Specifically Covered by Budget Policies

Superintendents were requested to indicate the extent to which policies defined the lines of authority and responsibility for budget preparation. Ten superintendents (42 percent) claim that these lines of authority and responsibility are not defined in their divisions; eight others (33 percent) indicated that they are just

vaguely defined. Only six superintendents (25 percent) claimed that the lines of responsibility and authority were clearly defined.

Superintendents were requested to indicate with a check, on a list of twenty-one points, the specific areas for which they had covering policies. They were also asked to denote whether the policies were written or unwritten. As shown in Table II, most school divisions do not have policies covering: presentation to the school staff, presentation to the community, the budget calendar, budget evaluation, appraisal of budget procedures, teaching load, teacher-pupil ratio in classrooms, teacher certification level for varying grade levels, teaching equipment and aids and a description of the Industrial Arts or Vocational Education Program to be offered. In the majority of cases, the policies were unwritten, making interpretation to new staff, trustees and administrative personnel very difficult. Although frequently unwritten, many school divisions have policies covering: preparation responsibilities, presentation to the board, procedure leading to final adoption, responsibility for fiscal control, extent of secretarial assistance for teachers and principals, amount of teaching and classroom supplies, transportation allowances for extra-curricular activities and inservice-training.

Personnel Affected By Budget Policies

Superintendents of the school divisions were asked to indicate the extent to which personnel affected by proposed budget policies were given the opportunity to react prior to the final adoption of the policies. Three divisions (13 percent) indicated that personnel

TABLE II

AREAS COVERED BY WRITTEN AND UNWRITTEN BUDGET POLICIES
IN SCHOOL DIVISIONS AS REPORTED BY
SUPERINTENDENTS OF DIVISIONS

	Written budget policies		Unwritten budget policies		Total with budget policies	
	No. of divisions N = 24	Percent	No. of divisions N = 24	Percent	No. of divisions N = 24	Percent
Preparation responsibilities	4	17	13	54	17	71
Presentation to the board	5	21	12	50	17	71
Presentation to the school staff	0	0	4	17	4	17
Presentation to the Community	2	8	1	4	3	13
Budget calendar	2	8	6	25	8	33
Procedure leading to final adoption	2	8	11	46	13	54
Administration of the budget	6	25	10	42	16	67
Budget evaluation	1	4	6	25	7	29
Appraisal of budget procedures	1	4	3	13	4	17
Responsibility for fiscal control	5	21	9	38	14	58
Extent of secretarial assistance for teachers and principals	9	38	9	38	18	75

TABLE II (continued)

	Written budget policies		Unwritten budget policies		Total with budget policies	
	No. of divisions N = 24	Percent	No. of divisions N = 24	Percent	No. of divisions N = 24	Percent
Teacher load (no. of periods to be taught)	1	4	7	29	8	33
Principals' load (no. of periods to be taught)	1	4	9	38	10	42
Teacher-pupil ratio in classrooms	3	13	5	21	8	33
Teacher certification level for varying grade levels	1	4	2	8	3	13
Teaching equipment and aids (no. of projectors, record players, etc. per school)	4	17	4	17	8	33
Teaching & classroom supplies (amt. of paper, chalk, per classroom or school)	10	42	4	17	14	58
Custodial supplies	6	25	7	29	13	54
Description of I.A. or Vocational Ed. Program to be offered	3	54	3	13	6	25
Transportation allowances for extra curricular activities	15	63	2	8	17	71
In-service training (\$x for specific types of activities)	9	38	5	21	14	58

affected never had an opportunity to react. In eleven divisions (46 percent), the affected sometimes had an opportunity to react, whereas in 6 divisions (25 percent), the affected frequently reacted. The affected personnel always had an opportunity to react in the four remaining divisions (17 percent).

Adequacy of Budget Policies

Superintendents were asked to give their opinion on the adequacy of the budget policies in covering the various budget areas. Their opinions were as follows: three divisions (13 percent), very inadequate; ten divisions (42 percent), somewhat inadequate; eight divisions (33 percent), adequate; and three divisions (13 percent), very adequate. Therefore, the majority of the superintendents feel that the present policies as found in the school divisions do not adequately cover the budget areas.

CHAPTER SUMMARY

The various aspects pertaining to budget policies were examined in this chapter. The major findings were as follows:

1. Eighty-three percent of the divisions have no budget policies or have them throughout the minutes of the board meetings.
2. Most school divisions which have written budget policies revise them on an annual basis.
3. Budget policies delineating lines of authority and responsibility for budget preparation are just vaguely defined in seventy-five percent of the divisions.
4. Many facets of budgeting are not covered by written or unwritten budget policies.

5. In sixty percent of the divisions, the personnel affected by budget policies are not usually given the opportunity to react to proposed policies.
6. Fifty-five percent of the superintendents responding have the opinion that present budget policies are very inadequate or somewhat inadequate.

CHAPTER IV

PREPARATION OF THE BUDGET

In this chapter the practices followed and the personnel involved in budget preparation are examined.

The following practices and aspects pertinent to budget preparation are examined in Section I: time used in the budget processes, usage of budget calendars, extent of long range planning, the educational plan, the expenditure plan, the revenue plan and the format of the budget.

The extent of participation of the various school officials in budget preparation is presented in Section II.

The opinions of superintendents and secretary-treasurers on the main hindrances to efficient budget preparation are presented in Section III.

I PRACTICES FOLLOWED IN BUDGET PREPARATION

Time Used in Budget Preparation

Secretary-treasurers were asked to specify the number of months their school division used in the preparation of the budget. Of the twenty-six divisions responding to the questions, three (12 percent) used one month, nine (35 percent) used two months, twelve

(46 percent) used three to four months and two (8 percent) used five to six months. No school divisions reported using over six months in the preparation of the budget.

In an effort to delineate exactly when the school divisions prepared their budgets, secretary-treasurers were asked to specify the month when certain selected activities were carried on. The results of this question are shown in Table III.

Most school divisions commence the preparation of their budget in January, February or March. The initial preparation usually commences as follows: one division (4 percent) commences in September, one (4 percent)-in November, two (8 percent)-in December, six (23 percent)-in January, nine (35 percent)-in February and seven divisions (26 percent) commence in March.

Some form of budgetary requisition blank is employed by fourteen of the twenty-six (54 percent) school divisions; these enable the employees of the school division (principals, teachers, custodians, etc.) to make their budget requests known to the board. Usually these requisition forms are sent to principals in January or February. Two divisions (14 percent) send their's out in December, four (29 percent) in January, five (36 percent) in February and one division (7 percent) in each of March, April and May.

In the fourteen divisions utilizing some type of budget requisition form, six divisions (43 percent), have these forms returned in February, while four divisions (21 percent) asked for them to be submitted in March. The remainder of the divisions employ the following schedule: two (14 percent) have them returned in

TABLE III

MONTH WHEN VARIOUS BUDGETARY ACTIVITIES ARE PERFORMED AS REPORTED BY
SECRETARY-TREASURERS OF SCHOOL DIVISIONS

Budget activity	Number and percent of divisions performing various budget activities, by month											
	N = 26											
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Initial preparation of the budget				1 4%		1 4%	2 8%	6 23%	9 35%	7 26%	0	0
Budgetary requisition blanks for instructional aids (if used) are sent to principals							2 14%	4 29%	5 36%	1 7%	1 7%	1 7%
Requisition lists for instructional aids are turned in to divisional office	1 7%						1 7%	1 7%	6 43%	3 21%	2 14%	0
Budget conferences (if used) are held with principals							3 23%	1 8%	5 38%	2 15%	2 15%	0
Settlement of teacher salary schedules	10 42%	2 8%	2 8%					0	0	3 12%	4 17%	3 12%
Initial draft of budget is presented to board								1 4%	3 12%	12 46%	9 35%	1 4%
Adoption of final draft of budget	1 4%						1 4%	0	0	2 8%	15 58%	7 26%

N = 26

April, one (7 percent) in June, one (7 percent) in December, and one (7 percent) in January.

Budget conferences are held with the principals in thirteen of the twenty-six divisions (50 percent). February is the most frequently indicated month for these conferences with five divisions (38 percent) specifying this time. Three divisions (23 percent) hold these in December, one (8 percent) holds them in January, two (15 percent) hold them in March and two (15 percent) hold them in April.

Ten divisions (42 percent) attempt to have their salary schedule settled by June. The other respondents attempt to settle as follows: three divisions (12 percent) by March, four (17 percent) by April, three (12 percent) by May, one (8 percent) by July and one (8 percent) by August.

The initial draft of the budget is usually presented to the board in March or April; twelve divisions (46 percent) present their first draft in March, while nine (35 percent) make their presentation in April. One division (4 percent) presents theirs in January, three (12 percent) in February and one (4 percent) in May.

Most school divisions adopt the final draft of their budget in April or May. The distribution of adoption dates are as follows: fifteen divisions (58 percent) in April, seven divisions (26 percent) in May, two divisions (8 percent) in March and one (4 percent) in June.

Usage of Budget Calendars

A budget calendar is a calendar of things to be done, by whom and when they must be done.

The responses given by secretary-treasurers indicate that very few divisions consistently follow a yearly budget calendar. Twelve divisions (46 percent) never follow a calendar, whereas two (8 percent) do sometimes. Five units (19 percent) frequently follow a budget calendar, while seven (26 percent) almost always do.

Superintendents are of the opinion that school boards devote an excessive amount of time to budget preparation. Of the twenty-two superintendents responding to the question, nineteen (87 percent) indicated an excessive amount of time was devoted to budget preparation. On the other extreme, two superintendents (4 percent) claimed the time devoted to budget preparation was very inadequate, while one (5 percent) indicated that the time was somewhat inadequate.

Extent of Long Range Planning

Sixteen secretary-treasurers (62 percent) indicated that their divisions do not have a long range capital budget. In four divisions (15 percent), the capital budget covers a two year period, while in four other divisions, this budget reaches over three years. One division (4 percent) has a five year capital budget, whereas one has a budget reaching over six or more years.

The Educational Plan and Budgeting

In the divisions surveyed, superintendents were asked how

frequently a locally prepared educational plan was included with the annual budget. Only four out of the twenty-two responding (18 percent) always included a written explanation of the educational program. One division (5 percent) almost always includes one, while five divisions (23 percent) occasionally included one. Six divisions (27 percent) seldom included one, whereas six other divisions never included an educational plan with the budget.

Relation of the educational plan to budget preparation. To determine the relation of the locally prepared educational plan to budget preparation in school divisions, superintendents were requested to choose one statement from four which best described this relationship in their division. Three superintendents (14 percent) chose the first, which stated that little reference is made to an educational plan or program during budget preparation. Four (18 percent) chose the option which stated that a detailed educational plan (or program) is determined and agreed upon for the ensuing year before the expenditures and revenues are estimated. Eleven (30 percent) stated that the educational, expenditure and revenue plans are prepared simultaneously. Four (18 percent) even claimed that the amount of revenue was first ascertained and the educational and expenditure plans were made to fit within the limitations imposed.

The Expenditure Plan

Methods employed in building the expenditure plan. The second step in budget preparation should be the preparation of the expenditure plan, which is actually a translation of the educational plan into estimated costs.

Secretary-treasurers and superintendents were asked to select the method which their divisions followed in preparing the budget. The responses are summarized in Table IV. No secretary-treasurers nor superintendents claimed that a "padded" budget was prepared for presentation because the board would automatically cut the budget. Assuming that the questionnaires were responded to individually, secretary-treasurers' and superintendents' opinions appear to vary on the methods followed in budget preparation.¹ Eighteen secretary-treasurers (69 percent) claimed that detailed estimates, along with requisitions from each school are obtained so that each item in the budget can be justified, while nine superintendents (41 percent) claimed that this was the method followed. Eight secretary-treasurers (31 percent) claim that lump sum estimates of budgetary revenues and expenditures for each category are obtained by comparison with former years plus an allotted amount mainly based on increases in price levels, while thirteen superintendents (59 percent) claimed that this was the method followed.

As shown in Table V, the procedures and/or documents which are most frequently employed in arriving at the expenditure estimates include: budgets from former years, annual audited financial reports, general ledgers, school enrolment projections, board minutes and a standard per pupil rate or allowance differentiated according to grade levels or programs for classroom supplies and teaching aids.

¹This may support other observations that there is a difference of perception on the role of the two administrators.

TABLE IV

METHODS EMPLOYED IN PREPARING THE BUDGET AS REPORTED
BY SECRETARY-TREASURERS AND SUPERINTENDENTS
OF SCHOOL DIVISIONS

Item	As reported by secretary-treasurers		As reported by superintendents	
	Number of divisions	Percent of divisions	Number of divisions	Percent of divisions
A "padded" budget is prepared for presentation because the board will automatically cut the budget.	0	0	0	0
Detailed estimates and data, along with requisitions from each school are obtained so that each item in the budget can be justified.	18	69	9	41
Lump sum estimates of budgetary revenues and expenditures for each category are obtained by comparison with former years <u>plus</u> an allotted amount mainly based on increases in price levels.	8	31	13	59

TABLE V

PROCEDURES AND DOCUMENTS WHICH ARE ANNUALLY EMPLOYED IN COLLECTING
DATA FOR THE EXPENDITURE ESTIMATES OF THE BUDGET, AS REPORTED
BY SECRETARY-TREASURERS OF SCHOOL DIVISIONS

Procedures and documents	Number of divisions N = 26	Rank order	Percent of divisions
Budgets from former years	23	1.5	88
Annual audited financial reports	23	1.5	88
General ledger	19	3	73
School enrolment projections	18	4	69
Board minutes	17	5	65
Standard per pupil rate or allowance <u>differentiated</u> according to grade levels or programs for classroom supplies and teaching aids	14	6	54
Standard list of playground equipment per school or classroom	12	8.5	46
Expenditure ledger	12	8.5	46
Budgetary requisition blanks from teachers and principals	12	8.5	46
Standard list of pupil supplies per school or classroom eg. pencils, notebooks	12	8.5	46
Cost accounting on alternate schemes (or unit cost analysis)	11	11	43
Personal conference with teachers, principals, and custodians	10	12.5	39
Standard list of office or work room equipment per school	10	12.5	39
Schedule for maintenance and renovations for 2, 3, 4, or 5 years	9	14.5	35

TABLE V (continued)

Procedures and documents	Number of divisions N = 26	Rank order	Percent of divisions
A budget workbook or file	9	14.5	35
Equipment replacement schedule whereby x pieces of A-V equipment are replaced yearly	8	16	31
Surveys or comparative statistics from other divisions and counties	7	17.5	26
Inventories	7	17.5	26
Property ledger	5	19.5	19
Attendance reports	5	19.5	19
A budget calendar	3	21.5	12
Standard per pupil rate or allowance <u>irrespective</u> of grade level or program for classroom supplies and teaching aids	3	21.5	12

Equipment replacement schedules, comparative surveys from other divisions and counties, inventories, property ledgers, attendance reports, budget calendars, and a standard per pupil rate or allowance irrespective of grade level or program for classroom supplies and teaching aids are seldom utilized in calculating budget estimates.

Standardized amounts per pupil, classroom or school are quite popular aids to expenditure estimation. Twenty-three divisions (87 percent) estimate their library and reference book budget following this procedure. In seventeen divisions (65 percent) instructional supplies (aids) are estimated on this basis. Classroom supplies are estimated in thirteen divisions (50 percent) following such a procedure. Eight divisions (31 percent) use this approach for estimating pupil supplies and extra-curricular transportation. The yearly budget for office and classroom equipment is arrived at in a similar manner in six divisions (23 percent).

Varied schemes prevail for the budgeting and allocation of instructional supplies for individual schools. In fourteen divisions (58 percent), funds are allotted to each school on a per student unit basis differentiated according to grade level and program offered; the principal and staff requisition up to the amount allotted for their school. The next most popular procedure--found in four divisions (17 percent)--is a scheme whereby the secretary-treasurer and/or superintendent budgets a lump sum for each school or for the division; then, the superintendent or secretary-treasurer allocates supplies as they are needed in the individual schools. In three divisions (13 percent) funds are allotted to each school on a per student basis

irrespective of grade level; the principal and staff requisition up to the amount allotted for their school. Two divisions (8 percent) indicated that a teacher-principal committee from each school submits a school budget to the board; after approval (or cutting), the necessary allotments and requisitions are completed. One secretary-treasurer (4 percent) described a scheme whereby funds were allotted to each school on a per student basis; the principal and his staff then allotted different amounts to the varying grade levels. Each school could requisition up to the amount allotted to it.

Expenditure estimates, involving budgetary requests from the staff members, are made on various basis. In eight divisions (33 percent) staff members make their requests based on minimum or basic needs. In another eight divisions (33 percent), the requests are based on desirable needs. Budgetary requests are made on two levels--minimum and desirable needs in the other eight divisions (33 percent).

Twelve of the twenty-six divisions responding (46 percent) base their expenditure and revenue estimates on data from just one previous year. Four divisions (15 percent) use data from two former years, seven (26 percent) use three former years, one (4 percent) uses four former years and two divisions (8 percent) use five or more former years.

Size of contingency fund. A contingency fund is an amount of money set aside in a budget for emergencies. Secretary-treasurers were asked to indicate the size of the contingency fund compared to the total school budget. Seven divisions (26 percent) have no

contingency fund included in their budget. Most divisions (twelve out of the twenty-six--50 percent) include a fund amounting to 1-2 percent of the total budget. Three divisions (12 percent) have a 3-4 percent fund, one (4 percent) has a 5-6 percent fund, one (4 percent) has a 7-8 percent fund and two (8 percent) have a fund greater than 8 percent.

The Revenue Plan

Methods employed in determining the revenue plan. Under the present scheme of financing education, all of the divisions responding depend upon the announcement of the provisions of the School Foundation Program Fund before additional revenue sources are planned. To determine the local sources of revenue, sixteen divisions (62 percent) utilize audited financial reports from former years, nine (35 percent) observe the mill rate trends and nine (35 percent) study the assessment trends. Only two divisions (8 percent) employ data from the Dominion Bureau of Statistics on price level increases. Financial Post predictions play a very insignificant role in the determination of the revenue plan.

Maintaining a stationary supplementary requisition. If the grants available under the School Foundation Program are inadequate, an additional supplementary requisition must be levied on the contributing municipalities. Table VI shows the equalized assessments and supplementary requisition rates for school divisions which had oscillating supplementary requisition rates. School division B

TABLE VI

EQUALIZED ASSESSMENTS AND SUPPLEMENTARY REQUISITION RATES
IN VARIOUS SCHOOL DIVISIONS OF ALBERTA 1961-1966

School division	Equalized assessments ^a --supplementary requisition rates ^b					
	1961	1962	1963	1964	1965	1966
A	\$6,462,034 ^a 12.39 ^b	\$6,606,132 6.00	\$6,676,507 10.00	\$8,370,600 4.94	\$9,593,552 6.00	\$11,505,309 13.50
B	8,392,845 3.52	8,916,091 8.09	9,319,055 10.84	13,085,163 2.49	13,671,586 9.00	14,080,610 12.00
C	16,353,961 1.12	14,192,127 8.00	13,582,768 12.14	20,316,774 4.78	20,342,713 6.68	20,767,886 12.46
D	4,380,386 0.00	4,621,952 8.00	4,849,025 6.00	6,636,722 5.49	7,007,825 10.94	7,182,976 8.00
E	5,411,837 4.96	5,416,450 9.75	5,508,922 7.00	8,052,621 0.00	9,003,416 3.00	9,308,553 3.00
F	1,959,120 0.00	2,134,096 4.74	2,166,719 12.00	3,181,288 0.00	3,513,865 6.00	3,452,423 15.00
School Foundation fund basic requisition rate	32 mills	32 mills	32 mills	26 mills	26 mills	26 mills

^a Equalized assessments are given in dollars.

^b Supplementary requisition rates are quoted in mills.

displays an oscillating or "yo-yo" type of supplementary requisition rate; its mill rates are: 1961-3.52, 1962-8.09, 1963-10.84, 1964-2.49, 1965-9.00, and 1966-12.00.

According to the responses given by secretary-treasurers, five divisions (19 percent) make no attempt to maintain a stationary supplementary requisition rate. The remainder of the respondents attempted to provide for a stable rate by instituting various remedial measures; seventeen divisions (65 percent) made cutbacks in various budget categories, while one division (4 percent) used funds from a relatively large contingency fund. Of the remaining three respondents (12 percent), most stated that a short-term loan was transacted.

The issue of maintaining a stationary supplementary requisition rate was further investigated by asking secretary-treasurers to indicate what action would be taken if a two mill deficit was incurred during a fiscal year. Fifteen divisions (58 percent) indicated that 2 mills for an unknown number of years would be levied until the contingency fund was restored. Six (23 percent) indicated that an additional levy of 8 mills for the next fiscal year would be necessary. This action would probably give rise to a "yo-yo" type supplementary requisition rate. The remaining five divisions (19 percent) stated that an additional levy of one mill for two years would be required until the contingency fund was restored.

Balancing the budget. If a budget cut-back is necessary due to limited revenue, several alternatives are open to the board. Secretary-treasurers were asked to indicate what budget categories

were usually cut when a budget cut-back was necessary. Four divisions (15 percent) cut all budget categories proportionately, while two divisions (8 percent) cut mainly the instructional aids. Ten divisions (39 percent) cut only those budget categories not marked as priority items. Ten divisions (39 percent) reported that capital expenditures out of current revenue were cut.

A reserve cash balance. Only one division (4 percent) budgeted for a revenue fund surplus at the end of the fiscal year sufficient to cover expenditures until receipt of the foundation plan grants. Twenty-four divisions (93 percent) had as their objective in budgeting, a balanced budget just for the fiscal year. One division (4 percent) indicated that they aimed for a fairly large surplus which could be applied to the next fiscal year's budget.

Format of the Budget

Secretary-treasurers were asked to respond to four items on the questionnaires describing the format of the budget.

Detail and categorization. Secretary-treasurers were asked to indicate the amount of detail shown in the locally adopted divisional budget compared with the Department of Education "Budget Report Form." One division (4 percent) indicated that their local budget contained less detail than that shown in the Budget Report Form. In three divisions (12 percent), the local budget contains the same amount of detail as on the provincial form. Fourteen divisions (54 percent) indicated that their local budget contained somewhat more detail.

Eight divisions (31 percent) indicated that the locally prepared budget contained far more detail.

A few divisions set up budgets within the main divisional budget for individual schools and departments. Sixteen divisions (62 percent) signified that no division in the categorization beyond that prescribed by the Budget Report Form was used. Eight divisions (31 percent) show separate budgets for high schools and elementary schools. Two divisions (8 percent) indicated that separate budgets were also set up for individual high school departments.

Supporting documents. As shown in Table VII, the supporting documents most frequently included with the budget include: an analysis of certificated personal salaries, number and position; sources and amounts of revenue; the past year's comparison of expenditures; an analysis of the cost of classified personnel such as custodians, stenographers, etc.; details of the maintenance program; and an analysis of fixed charges. The following are infrequently included as supporting documents: details as to quantity of materials and supplies to be purchased, attendance projections, analysis of special funds, the education plan or program, and a construction plan for 1, 2, 3 or 4 years.

Various aids and methods are employed in presenting the supporting data to the school board, as reported by secretary-treasurers. Twenty divisions (77 percent) present the supporting documents for the budget in the form of duplicated reports or statistics. Nine divisions (35 percent) utilize tables for comparative data while five

TABLE VII

SUPPORTING DOCUMENTS SCHOOL DIVISIONS ANNUALLY INCLUDE WITH
THE BUDGET AS REPORTED BY SECRETARY-TREASURERS

Supporting documents included with budget	Number of divisions	Percent of divisions	Rank order
Analysis of certificated salaries, number and position	17	65	2
Sources and amounts of revenue	17	65	2
Past <u>years</u> comparison of expenditures	17	65	2
Analysis of the cost of classified personnel (custodial, clerical)	16	62	4
Details of the maintenance program	15	58	5
Analysis of fixed charges	14	54	6
Equipment replacement schedule	9	35	7
Justification facts or explanation for each or all requests	8	31	8.5
Bonded indebtedness and schedule of retirement	8	31	8.5
Details as to quantity of materials and supplies to be purchased during fiscal year with standards of con- sumption	7	26	10.5
Attendance projections	7	26	10.5
Analysis of special funds	5	19	12
The education plan or program	4	15	13
Construction plan for 1, 2, 3, or 4 years	3	12	14
No supporting documents ever included	3	12	14

divisions (19 percent) use graphs. Four divisions (15 percent) use the blackboard, while two divisions (8 percent) employ the overhead projector. One division (4 percent) utilizes pictures to assist in describing the budget.

II PERSONNEL INVOLVED IN BUDGET PREPARATION

This section presents the findings on what personnel are involved in the school divisions of Alberta in the preparation of the following aspects of the budget: the educational plan, the eight expenditure estimates as used in the Budget Report Form (See Appendix D), expenditure comparisons with former years, collection of facts pertinent to budget development, statements regarding budget increases and decreases, revenue estimates and writing of the budget.

In surveying the extent of participation in the various aspects associated with budget preparation, superintendents were asked to rank the extent to which the six individuals or groups of individuals--superintendent, assistant superintendent, secretary-treasurer, school board, principals, and teachers participated. The assigned ranks indicate the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; and 7, no participation. Means of the assigned ranks for each group of participants and the respective preparational aspects are given throughout the sub-sections and in Table VIII.

Preparation of the Education Plan

The superintendents (rank mean 1.4) and the assistant

TABLE VIII

EXTENT OF PARTICIPATION IN THE PREPARATION OF
THE BUDGET BY ASPECT AND PARTICIPANT AS
INDICATED BY SUPERINTENDENTS

Aspect of budget preparation	Mean of ranks ^a assigned participants					
	Superintendent	Asst. ^b superintendent	Sec. treas.	School board	Principals	Teachers
Preparation of educational plan	1.4	1.8	4.5	4.3	4.5	5.9
Preparation of administration estimates	4.0	4.6	1.0	4.8	6.6	7.0
Preparation of instructional estimates	1.5	2.7	2.8	4.7	5.1	6.5
Preparation of instructional aids estimates	1.6	2.6	3.2	4.9	4.5	5.6
Preparation of tuition agreement estimates	3.8	5.2	1.2	4.5	5.8	6.8
Preparation of plant operation and maintenance estimates	4.3	5.4	1.3	3.0	5.5	6.8
Preparation of debt charges estimates	5.3	6.5	1.0	5.1	6.8	7.0
Preparation of estimates for contributions to capital and loan fund	4.8	5.8	1.0	5.3	7.0	7.0

TABLE VIII (continued)

Aspect of budget preparation	Mean of ranks ^a assigned participants					
	Superintendent	Asst. ^b superintendent	Sec. treas.	School board	Principals	Teachers
Preparation of estimates for conveyance and maintenance of pupils	5.1	5.8	1.0	4.3	6.8	7.0
Preparation of expenditure comparisons with former years	4.2	5.6	1.0	5.8	7.0	7.0
Collection of facts pertinent to budget development	2.2	4.2	1.0	6.0	6.1	6.9
Preparation of statements regarding budget increases and decreases	1.8	4.2	1.5	5.7	6.4	6.9
Preparation of revenue estimates	3.9	6.1	1.0	5.0	7.0	7.0
Final writing of budget document	5.9	6.7	1.5	5.5	7.0	7.0

a The "mean rank" is the arithmetic average of all of the ranks assigned each participant by the superintendents. Therefore, the mean ranks are continuous numbers from one to seven and indicate the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; and 7, no participation.

b Of the twenty-four divisions responding to the questionnaire, eleven do not have an assistant superintendent.

superintendents (rank mean 1.8) were the main participants responsible for developing the educational plan in school divisions of Alberta. Secretary-treasurers (rank mean 4.5), school boards (rank mean 4.3) and principals (rank mean 4.5) each contribute somewhat. Teachers (rank mean 5.9) in the school divisions participate very little in preparation of the educational plan.

Preparation of Administration Estimates

Administration estimates (involving such expenditures as officials' and clerical salaries, trustees' expenses, etc.), the first category on the Budget Report Form, are usually prepared by the secretary-treasurers (rank mean 1.0). The superintendents (rank mean 4.0), assistant superintendents (rank mean 4.6) and school boards (rank mean 4.8) are almost equally involved. Principals (rank mean 6.6) and teachers (rank mean 7.0) participate very little, if any.

Preparation of Instructional Estimates

Instructional staff salaries, bursaries and expenses are categorized as instruction estimates in the "Budget Report Form." Superintendents (rank mean 1.5) are the leading participants with assistant superintendents (rank mean 2.7) and secretary-treasurers (rank mean 2.8) also quite extensively involved. The school boards (rank mean 4.7) and principals (rank mean 5.1) participate to a limited extent while teachers (rank mean 6.5) seldom participate.

Preparation of Instructional Aids Estimates

Instructional aids estimates (involving expenditure items such as library materials, textbooks, and instructional supplies) are usually prepared by the superintendents (rank mean 1.6). Assistant superintendents (rank mean 2.6) are also quite extensively involved. Principals (rank mean 4.5) and school boards (rank mean 4.9) participate somewhat, while the extent of teacher involvement is very little.

Preparation of Tuition Agreement Estimates

To meet the needs of each individual child, school divisions must frequently enter tuition agreements with other institutions and school boards. Secretary-treasurers (rank mean 1.2) assume the major responsibility for the preparation of tuition agreement estimates while some assistance is usually given by superintendents (rank mean 3.8) and school boards (rank mean 4.2). The assistant superintendents (rank mean 5.2) and principals (rank mean 5.8) participate very little. Teachers (rank mean 6.8) are seldom, if ever, involved.

Preparation of Plant Operations and Maintenance Estimates

The Budget Report Form (See Appendix D) requires a rather detailed analysis of such expenditures as caretakers' salaries, supplies, utilities, insurance, etc. in the preparation of the plant operation and maintenance estimates. Secretary-treasurers participate extensively in this aspect of budget preparation; some assistance is usually given by school boards (rank mean 3.0) or the superintendent (rank mean 4.3). In most divisions, the principals (rank mean 5.5) do not participate; teachers (rank mean 6.8) are seldom, if ever,

involved.

Preparation of Debt Charges Estimates

Secretary-treasurers (rank mean 1.0) are the main, and frequently the only participants in the calculation of debt charge estimates (involving expenditures on debenture principal and interest, loan principal and interest, etc.). They are assisted to varying degrees by the school boards (rank mean 5.1) or the superintendents (rank mean 5.3). Assistant superintendents (rank mean 6.5), principals (rank mean 6.8) and teachers (rank mean 7.0) are involved very little, if any, in computing debt charge estimates.

Preparation of Estimates for Contributions to Capital and Loan Fund

Participation in the preparation of estimates for contributions to the capital and loan fund (unexpended funds from previous projects, revenue fund contributions, etc.) according to the superintendents' responses indicates that secretary-treasurers (rank mean 1.0) are the main participants in this aspect of preparation. Superintendents (rank mean 4.8), school boards (rank mean 5.3) and assistant superintendents participate very little while principals (rank mean 7.0) and teachers (rank mean 7.0) do not participate whatsoever.

Preparation of Estimates for Conveyance and Maintenance of Pupils

A large percentage of Alberta students live in rural communities, therefore, they must be boarded near or conveyed to centralized schools by contract or school division buses. Estimates for these "conveyance and maintenance of pupils" expenditures are prepared mainly by the secretary-treasurers (rank mean 1.0). They are assisted

somewhat by school boards (rank mean 4.3) or the superintendents (rank mean 5.1). Assistant superintendents (rank mean 5.8), principals (rank mean 6.8) and teachers (rank mean 7.0) assist very little, if any, in the preparation of these estimates.

Preparation of Expenditure Comparisons With Former Years

Line-by-line analysis or lump-sum estimation requires expenditure comparisons with former years. All twenty-four superintendents responding indicated that secretary-treasurers (rank mean 1.0) participated extensively in the preparation of these expenditure comparisons. Frequently, superintendents (rank mean 4.2) are quite actively involved. Assistant superintendents (rank mean 5.6) and school boards (rank mean 5.8) assist very little. Principals (rank mean 7.0) and teachers (rank mean 7.0) do not participate whatsoever in the preparation of expenditure comparisons with former years.

Collection of Facts Pertinent to Budget Development

Collection of facts pertinent to budget development involves obtaining cost estimates on alternative projects, programs, equipment and supplies. Of the twenty-four superintendents responding, twenty-three indicated that the secretary-treasurer (rank mean 1.0) was the main participant in the collection of facts pertinent to budget development. Superintendents (rank mean 2.2) are usually extensively involved as well with some assistance from assistant superintendents (rank mean 4.2). Most school boards (rank mean 6.0) and principals (rank mean 6.1) participate very little while teachers generally do not whatsoever.

Preparation of Statements Regarding Budget Increases and Decreases

Statements justifying budget increases or decreases frequently accompany the presentation of the budget. Secretary-treasurers (rank mean 1.5) and superintendents (rank mean 1.8) are both extensively involved in the preparation of statements to justify the budget. Some assistance is often given by the assistant superintendents (rank mean 4.2). Most superintendents indicated that their school boards (rank mean 5.7), principals (rank mean 6.4) and their teachers (rank mean 6.9) seldom, if ever, participated in the preparation of statements justifying the budget.

Preparation of Revenue Estimates

Estimating of the revenue involves calculating the available funds forthcoming from the various sources as shown on the Budget Report Form (See Appendix D). Secretary-treasurers (rank mean 1.0) were ranked as the main participants in the preparation of revenue fund estimates. Superintendents (rank mean 3.9) usually give some assistance. School boards (rank mean 5.0) and assistant superintendents (rank mean 6.1) give very little assistance; principals (rank mean 7.0) and teachers (rank mean 7.0) do not participate whatsoever in the calculation of revenue estimates.

Writing of the Budget Document

The final writing of the budget is usually done by the secretary-treasurers (rank mean 1.0). Although one respondent indicated that the chairman of the board wrote the budget, most

responses indicated that the other personnel did not participate in the process.

III HINDRANCES TO EFFICIENT BUDGET PREPARATION IN SCHOOL DIVISIONS OF ALBERTA

To appraise the main hindrances to efficient budget preparation in the school divisions of Alberta, superintendents and secretary-treasurers were asked to rank various hindrances which had been noted in the literature on budgeting. Each respondent was asked to indicate with a one (1) the hindrance which in their opinion was the greatest; the remaining hindrances were to be ranked up to rank six (6).

The superintendents' responses are shown in Table IX. The main hindrance is "Revenue plans cannot be made until after foundation grants are known." The second greatest hindrance is "The fiscal year does not follow the school year." "No definite budget calendar is followed" was considered the third greatest hindrance. The fourth greatest hindrance was "Trustees lack training and understanding in educational matters." "Lines of authority and responsibility are not clear, therefore, role conflict occurs" was the fifth greatest hindrance. The least hindrance was that "Budget preparation is primarily a one man job."

The secretary-treasurers' responses are shown in Table X. The secretary-treasurers placed the hindrances in the same order as the superintendents with one exception. Due to a printing error, one hindrance--no definite budget calendar is followed--was missing from their questionnaire. However, four secretary-treasurers mentioned this

TABLE IX

HINDRANCES TO EFFICIENT BUDGET PREPARATION AS REPORTED
BY SUPERINTENDENTS OF SCHOOL DIVISIONS

School divi- sion.	Ranks of hindrances					
	The fiscal year does not follow the school year.	Revenue plans can not be made until after foun- dation grants are known.	Lines of authority and res- ponsibil- ity are not clear therefore role con- flict occurs.	No defi- nite bud- get cal- endar is followed	Budget prepara- tion is primarily a one man job.	Trustees lack training and under- standing in educational matters.
A	3	2	5	4	6	1
B	2	1	5	3	6	4
C	4	1	3	2	5	6
D	2	1	5	3	6	4
E	2	1	6	3	4	5
F	4	3	5	1	2	6
G	1	2	5	4	6	3
H	1	2	6	3	5	4
I	1	3	6	2	5	4
J	5	2	4	3	6	1
K	2	1	4	6	5	3
L	2	1	6	4	5	3
M	2	1	4	3	6	5
N	1	2	5	4	6	3
O	2	1	5	3	6	4

TABLE IX (continued)

School divi- sion	Ranks of hindrances					
	The fiscal year does not follow the school year.	Revenue plans can not be made until after foun- dation grants are known.	Lines of authority and res- ponsibil- ity are not clear therefore role con- flict occurs.	No defi- nite bud- get cal- endar is followed	Budget prepara- tion is primarily a one man job.	Trustees lack train- ing and under- standing in educational matters.
P	1	2	4	3	6	5
Q	4	1	3	6	5	2
R	3	1	5	2	6	4
S	1	3	2	5	6	4
T	4	1	6	3	5	2
U	2	1	5	4	6	3
V	3	2	5	1	4	6
W	1	2	5	4	6	3
X	6	5	1	3	4	2
Total of ranks	59	42	105	79	121	87
Order of hind- rances .	2	1	5	3	6	4

TABLE X

HINDRANCES TO EFFICIENT BUDGET PREPARATION AS REPORTED BY
SECRETARY-TREASURERS OF SCHOOL DIVISIONS

School divi- sions	Ranks of hindrances				
	The fiscal year does not follow the school year.	Revenue plans can not be made until after foun- dation grants are known.	Lines of authority and respon- sibility are not clear, therefore role conflict occurs.	Budget pre- paration is primarily a one man job.	Trustees lack train- ing and under- standing in educational matters.
A	2	1	4	5	3
B	2	1	4	5	3
C	2	1	4	3	5
D	2	1	5	4	3
E	1	2	3	5	4
F	2	1	4	5	3
G	1	2	5	3	4
H	1	2	4	3	5
I	2	1	5	4	3
J	5	3	1	2	4
K	2	1	5	5	4
L	2	1	3	5	4
M	3	1	4	5	2
N	1	2	5	4	6
O	2	1	4	5	3
P	1	2	5	4	3

TABLE X (continued)

School divi- sion	Ranks of hindrances				
	The fiscal year does not follow the school year.	Revenue plans can not be made until after foun- dation grants are known.	Lines of authority and respon- sibility are not clear there- fore, role conflict occurs.	Budget pre- paration is primarily a one man job.	Trustees lack train- ing and under- standing in educational matters.
Q	2	1	4	5	3
R	3	2	4	5	1
S	1	2	4	5	3
T	2	1	3	4	5
U	1	2	4	5	3
V	1	2	5	4	3
W	2	1	5	4	3
X	2	1	4	5	3
Y	2	1	4	5	3
Total of ranks	47	36	102	108	85
Order of hind- rances	2	1	4	5	3

as a real hindrance. Also, several remarked that--change of staff in September, pressure groups, and lack of trained staff hindered efficient budget preparation. One indicated that conflict with principals affected budget preparation.

CHAPTER SUMMARY

The practices followed in budget preparation were examined in Section I. The major findings include:

1. Preparation of the budget is usually done over a two to four month period.
2. Initial preparation usually commences during February or March.
3. Budgetary requisition blanks which are sent out in January or February are utilized in 54 percent of the divisions; usually they are returned during February or March.
4. Fifty percent of the divisions hold budgetary conferences with principals.
5. Eighty-four percent of the divisions attempt to settle their teacher salary schedule by June 30.
6. The initial draft of the budget is usually presented during March or April with adoption occurring during April or May.
7. Twenty-six percent of the divisions consistently follow a budget calendar.
8. Eighty-seven percent of the superintendents feel that school boards devote an excessive amount of time to budget preparation.
9. Sixty-two percent of the divisions do not follow a long range capital budget.
10. Fifty percent of the divisions prepare the educational, expenditure and revenue plans simultaneously.
11. Sixty-nine percent of the secretary-treasurers have the opinion that detailed line by line estimation is employed while only forty-one percent of the superintendents have this opinion.

12. The main procedures and documents used in collecting data for the expenditure estimates include: budgets from former years, annual audited financial reports, general ledger and school enrolment projections.
13. A standardized amount per pupil is frequently used for library and reference books as well as instructional aids. This is frequently differentiated according to grade levels and programs offered.
14. Sixty-one percent of the divisions base their expenditure and revenue estimates on just one or two previous years.
15. Most divisions include a contingency fund amounting to one-two percent of their total budget.
16. The two main documents utilized for determining the revenue plan include the School Foundation Program Fund Regulations and former audited financial reports.
17. Most divisions attempt to maintain a stable supplementary requisition.
18. Usually those items not marked as priority items or capital expenditures from current revenue are "cut" in budget cut-backs.
19. Only eight percent of the divisions aim for a revenue fund surplus at the end of the fiscal year.
20. Most budgets include the same amount of detail and categorization as found in the Budget Report Form.
21. The supporting documents in duplicated form usually included with the budget are: analysis of salaries, number and position; past year's comparison of expenditures; and details of the maintenance program.

The extent of participation of selected personnel in the preparation of the various aspects of the budget was examined in Section II. The major findings include:

1. The secretary-treasurers participate extensively in preparing the following estimates and/or aspects: administration, tuition agreements, plant operation and maintenance, debt charges, contributions to capital and loan fund, conveyance and maintenance of pupils, expenditure comparisons with former years, facts pertinent to budget development, statements regarding budget increases and decreases, revenue fund, and final writing of the

1. (continued)
budget.
2. The superintendents participate extensively in preparing the following estimates and portions of the budget: the educational plan, instruction estimates and instructional aids estimates. The superintendents assist the secretary-treasurer in most other facets of budget preparation.
3. The assistant superintendents participate quite extensively in preparing the following estimates and/or aspects: the education plan, instruction and instructional aids. In most other areas, they participate very little.
4. The school boards participate somewhat in the preparation of the following budget estimates and/or aspects: educational plan, administration, instruction, instructional aids, tuition agreements, plant operation and maintenance, conveyance and maintenance of pupils. They participate very little, if any, in the preparation of the: debt charges estimates, estimates for contributions to capital and loan fund, expenditure comparisons with former years, collection of pertinent facts, statements regarding budget increases and decreases, revenue estimates and final writing of the budget document.
5. Principals and teachers participate somewhat in the preparation of the educational plan and instructional aids estimates.

In Section III, the major hindrances to efficient budget preparation in school divisions were investigated. The major hindrances ranked from greatest to least are: 1. Revenue plans can not be made until after foundation grants are known. 2. The fiscal year does not follow the school year. 3. No definite budget calendar is followed. 4. Trustees lack training and understanding in educational matters. 5. Lines of authority and responsibility are not clear, therefore, role conflict occurs. 6. Budget preparation is primarily a one man job.

CHAPTER V

BUDGET PRESENTATION AND ADOPTION

In this chapter, the findings are presented on current practices and personnel involved in budget presentation and adoption in the school divisions of Alberta.

The following practices are dealt with in Section I: timing of the budget presentation and adoption, attendance at budget meetings and interpreting the budget to the staff and community. The extent of participation in the presentation of the budget is described in Section II.

I PRACTICES IN BUDGET PRESENTATION AND ADOPTION

Timing and Attendance at the Budget Presentation and Adoption

As no budget hearing is required by the provincial statutes, most school divisions use less formal techniques in budget presentation. Seven divisions (26 percent) present their budgets to the school board at the regular budget meeting; no advance information is forwarded to the trustee prior to the meeting. Ten divisions (39 percent) forward the proposed budget to the individual trustees one week in advance of the meeting. Four divisions (15 percent) send out the budget two weeks in advance, while three divisions (12 percent) send out the budget three weeks or more in advance

of the meetings. Two divisions (8 percent) indicated that they present their budget to the school board at each meeting over a 1-3 month period.

Number of drafts. According to the responses given by secretary-treasurers, one division (4 percent) presents only one draft of the budget to the school board before the final adoption. In ten divisions (38 percent), two drafts are presented to the board, while eleven (43 percent) indicate that three drafts are considered by the board. Two divisions (8 percent) indicated that 4 drafts were presented whereas two divisions (8 percent) deliberated on five or more drafts. Therefore, most divisions react to two or more drafts of the budget before final adoption.

Timing of adoption. In five divisions, (19 percent) the budget is adopted the same day it is presented. Eleven divisions (43 percent) adopted the budget at a special meeting approximately two weeks later. Six divisions (23 percent) indicated that the budget is usually adopted at the next regular meeting after the main budget meeting. Four divisions had other approaches. One secretary-treasurer stated that the budget was usually adopted on the third day of a three day meeting. The other three simply stated that adoption occurred as soon as agreement was reached.

The secretary-treasurers' responses indicate that budgets in the school divisions are rarely adopted in advance of the fiscal year. Twenty-one of the divisions (81 percent) never adopt their budget before the beginning of the fiscal year. Three divisions

(12 percent) always do, while one (4 percent) frequently does. One division (4 percent) claims to sometimes adopt their budget prior to the commencement of the new fiscal year.

Interested citizens. Secretary-treasurers from twenty-one divisions (81 percent) reported that the average attendance of interested citizens at their budget meetings (excluding trustees, superintendents, secretary-treasurers and representatives from the collecting authorities) was zero. One division (4 percent) indicated an average attendance ranging from one to five. Three divisions (12 percent) stated that their attendance was between 6 and 25, while one division had an average attendance between 26 and 50.

Collecting authorities. When the supplementary requisition must be levied upon 1 or 2 collecting authorities, one division (4 percent) indicated that no collecting authorities were represented at the budget meetings. In the divisions where the supplementary requisition must be levied upon 3 or 4 collecting authorities, three divisions (12 percent) reported no municipalities represented, four divisions (15 percent) reported 1 or 2 represented and one division (4 percent) reported 3 or 4 represented. When the supplementary requisition must be levied on 5 or 6 collecting authorities, six divisions (23 percent) reported no municipalities represented; one division (4 percent) reported 1 or 2 represented and four divisions (15 percent) reported 3 or 4 represented. In the divisions where the supplementary requisition must be levied upon 7 or 8 municipalities, three of the units (12 percent) reported no municipalities represented.

One division (4 percent), levies its supplementary requisition on eleven or more municipalities and declares that 1 or 2 representatives are usually in attendance. Table XI summarizes the findings.

Interpreting the Budget to the Staff and Community

Interpreting the budget to the staff. Superintendents were asked to indicate the methods employed by their school divisions to assist staff members in understanding the adopted budget. In ten divisions (42 percent), no explanation of the adopted budget is usually given to the staff. Four divisions (16 percent) send a copy of the adopted budget to their principals. Principals are merely informed of cuts in their requisitions in nine divisions (37 percent). In thirteen divisions (54 percent), superintendents and (or) secretary-treasurers hold meetings or conferences with their principals. In two divisions (8 percent), these conferences include both the principals and teachers.

In addition, superintendents were asked to check on a list the individuals receiving complete copies of the adopted budget (in addition to the contributing municipalities and the Department of Education). All twenty-four divisions responding indicated that they gave their board members and superintendents a copy. Of the thirteen divisions who employ a supervisor of instruction or assistant superintendent, eight divisions (62 percent) give a copy to this administrative assistant. In four divisions (16 percent) both elementary and high school principals receive a copy. No school

TABLE XI

AVERAGE NUMBER OF COLLECTING AUTHORITIES REPRESENTED AT
REGULAR BUDGET MEETINGS OF SCHOOL DIVISIONS AS
REPORTED BY SECRETARY-TREASURERS

Number of collecting authorities upon which the supple- mentary requisition must be levied	Number and percentage of divisions reporting representatives by attendance		
	0 representatives	1-2 representatives	3-4 representatives
1-2	1 4%		
3-4	3 12%	4 15%	1 4%
5-6	6 23%	1 4%	4 15%
7-8	3 12%		
9-10			
11 and over		1 4%	
Total	13 50%	6 23%	7 27%

division presents their teachers with copies of the budget. One division (4 percent) distributes copies to the Home and School Association, while two divisions (8 percent) present copies to the public news media. Several others stated that the local banks and auditor received copies. Table XII summarizes the data.

Interpreting the Budget to the Community

Seven divisions (29 percent) indicated that the regular budget meeting was employed for interpreting the adopted budget to the public. In sixteen divisions (67 percent), the annual meeting is utilized for interpreting the budget to the public. Six divisions (25 percent) use the newspaper, while two divisions (8 percent) employ the radio or television. Special pamphlets, and service club presentations describing the budget, are never utilized. Several superintendents stated that no organized procedure (other than by "word of mouth" of the trustees) was followed.

Two divisions (8 percent) show their complete budget in the newspaper, whereas one division displays an abbreviated form--showing only the main categories (eg. administration). According to the superintendents' responses, three school divisions (12 percent) publish a brief summary of the budget and minutes of the budget meeting. Twenty-one of the divisions (88 percent) indicated that no summary of the budget is normally shown in the local press.

TABLE XII

INDIVIDUALS AND GROUPS WHO ANNUALLY RECEIVE COMPLETE COPIES OF
THE ADOPTED BUDGET AS REPORTED BY SUPERINTENDENTS*

Individuals and groups	Number of divisions N = 24	Percent of divisions
Board members	24	100
Superintendent	24	100
Supervisors or asst. superintendents	8	33
Principals--elementary	4	16
Principals--high school	4	16
Teachers	0	0
Home and School Association	1	4
Public news media	2	8

* This is in addition to the contributing municipalities and the Department of Education.

** Of the twenty four divisions responding to the questionnaires, only thirteen have a supervisor of instruction or an assistant superintendent.

II PERSONNEL INVOLVED IN BUDGET PRESENTATION AND ADOPTION

Presentation of the Budget

In surveying the participation in the presentation of the budget, superintendents were asked to rank the extent to which six individuals or groups of individuals--superintendents, assistant superintendent¹, secretary-treasurer, school board, principals and teachers participated. The assigned ranks indicate the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; and 7, no participation. The means of the ranks in Table XIII indicate that the secretary-treasurers (rank mean 1.1) are the leading participants in this aspect of the budget process. They are frequently assisted by the superintendents (rank mean 2.6) who are also extensively involved. Assistant superintendents (rank mean 4.8) where applicable, participate somewhat as well. Although one respondent indicated that the board chairman customarily makes the budget presentation, in most units, board members participate very little. Principals (rank mean 6.8) and teachers (rank mean 7.0) seldom, if ever, participate in the presentation of the budget.

Individuals Reacting to the Proposed Budget

To further delineate who participates in the presentation and adoption of the budget, superintendents were asked to indicate

¹Only thirteen of the twenty-four divisions responding had an assistant superintendent.

TABLE XIII

EXTENT OF PARTICIPATION IN THE PRESENTATION OF THE BUDGET
BY PARTICIPANTS AND MEAN OF RANKS AS
INDICATED BY SUPERINTENDENTS

Participants	Mean of ranks assigned by superintendents ^a
Secretary-treasurer	1.1
Superintendent	2.6
Assistant superintendent ^b	4.8
School board	6.1
Principals	6.8
Teachers	7.0

^a The "mean of ranks" is the arithmetic average of all of the ranks assigned each participant by the superintendents. Therefore, the mean ranks are continuous numbers from one to seven and indicate the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; and 7, no participation.

^b Of the twenty-four divisions responding to the questionnaires, eleven do not have an assistant superintendent.

with a check those individuals and groups reacting to the preliminary budget before its final adoption. Table XIV summarizes the findings. The trustees, superintendents and secretary-treasurers always react, while the assistant superintendents and municipal council usually do. Officials from the Department of Education and principals seldom react to the proposed budget. Principals are involved in six divisions (25 percent). In eighteen divisions (75 percent), the contributing municipalities react to the budget prior to its final adoption. Seven divisions (29 percent) obtain the opinions of officials (eg. the Field Administrative Assistants) from the provincial Department of Education. One division indicated that local district boards gave their reaction to the estimates; no other groups were added, therefore, teachers and the various service groups fail to participate.

III CHAPTER SUMMARY

The findings on current practices and personnel involved in budget presentation and adoption in the school divisions of Alberta were presented in this chapter. The major findings were:

1. Most divisions (60 percent) send the budget to the trustees one week or more in advance of the regular budget meeting.
2. Eighty-one percent of the divisions present two or three drafts of the budget to the board before final adoption.
3. Most divisions adopt their budget two weeks or more after the presentation of the final draft.
4. Eighty-one percent of the divisions never adopt their budget in advance of the fiscal year.

TABLE XIV

INDIVIDUALS AND GROUPS REACTING TO THE PRELIMINARY BUDGET
BEFORE FINAL ADOPTION AS REPORTED
BY SUPERINTENDENTS

Individuals or groups	Number of divisions N = 24	Percent of divisions
Trustees	24	100
Superintendent	24	100
Supervisors or asst. superintendents	8 (out of 13)	62
Secretary-treasurer	24	100
Principals	6	25
Municipal council (or representatives)	18	75
Official(s) in the provin- cial Dept. of Education	7	29

5. Collecting authorities (municipalities) and interested citizens seldom attend the school divisions' budget meetings.
6. Sixty percent of the divisions give some form of explanation of the adopted budget to their principals and/or administrative staff.
7. Most divisions utilize only the annual meeting for interpreting the budget to the public.
8. Seventy-five percent of the divisions publish no summary of the budget in the press.
9. Secretary-treasurers usually assume the leading role in presenting the budget to the board; superintendents, as well, are extensively involved in the process.

CHAPTER VI

ADMINISTRATION AND APPRAISAL OF THE BUDGET

This is the last of four chapters in which a survey of current practices and personnel involved in budgeting in the school divisions of Alberta are examined. The practices involved in budget administration are dealt with in Section I, while the personnel involved in this process are surveyed in Section II. The methods used in appraising the budget are described in Section III, while the extent of participation in this process is examined in Section IV.

I PRACTICES INVOLVED IN BUDGET ADMINISTRATION

The following topics associated with budget administration are surveyed in this section: accounting systems, transferring of budget funds, meeting emergency needs, handling surplus funds and budget expenditure and revenue reports.

The Budget and the Accounting System

Secretary-treasurers were asked to indicate the degree of relationship existing between the accounting and budget classification systems. Three divisions (12 percent) indicated that some relationship exists between the two. Twenty-three divisions (88 percent) specified that the accounting system related directly to the budget

classification system.

According to the responses given by the secretary-treasurers, no school divisions in Alberta employ an accrual accounting system. Twenty-one divisions (81 percent) employ an accounting system whereby entrees are made in the expenditure ledger when payments are actually made. Five divisions (19 percent) employ a system which gives the same advantages as accrual accounting, whereby a separate record is kept of unpaid obligations against each account.

Transferring of Budget Funds

With fluctuating prices and emergencies causing surpluses to develop in one account and shortages in another, the administrator may find it expedient to arrange for a transfer of funds from one budget category or fund to another. Secretary-treasurers were asked to indicate the procedure followed for budget transfers in their school divisions. In seven divisions (26 percent), the secretary-treasurer makes the transfer on his own initiative; the board is merely informed of the transfer. The secretary-treasurer and superintendent make the transfers in one division (4 percent); the board remains uninformed and passes no budget amendment. In nine divisions (35 percent), the board as a whole passes a budget amendment authorizing the transfer; then the secretary-treasurer makes the transfer. Four of the others (15 percent) stated that no funds are ever transferred. Five (19 percent) stated that the secretary-treasurer was merely instructed to make the transfer; no formal amendment was passed by the board.

Meeting Emergency Needs

Various procedures are followed by school divisions in meeting emergency needs. Five divisions (19 percent) secure their funds to meet emergencies from the contingency fund. In fourteen divisions (54 percent) a short term loan is transacted to meet the current expenses. One division (4 percent) meets its emergencies from funds transferred from other accounts. In six divisions (23 percent), an over-expenditure is allowed for the specific account or category.

Handling Surplus Funds

Secretary-treasurers were asked to indicate what procedure was followed when a surplus developed in a specific account. Ten divisions (39 percent) indicated that the surplus was maintained and applied to the next fiscal year. In twelve divisions (46 percent), the surplus is transferred to other accounts for the fiscal year. Four divisions (15 percent) indicated that other procedures were followed, but failed to specify what these were.

Budget Expenditure and Revenue Reports

Nineteen divisions (73 percent) present monthly budget expenditure and revenue reports to the school board. Two divisions (8 percent) present bi-monthly financial reports. In four divisions (15 percent), the budget reports are presented quarterly throughout the year. One division (4 percent) issues a semi-annual report of budget appropriations and revenue.

II PERSONNEL INVOLVED IN BUDGET ADMINISTRATION

This section presents the findings on what personnel are involved in administering the various expenditure categories as used on the Budget Report Form of the province of Alberta. (See Appendix D).

To collect the data on involvement in the administration of the various categories outlined in the budget, superintendents were requested to rank the extent of participation of the following six individuals or groups of individuals--superintendent, assistant superintendent, secretary-treasurer, school board, principals and teachers. The assigned ranks indicate the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; 7, no participation. Means of the assigned ranks for each group of participants and the respective administrative aspects are given throughout the sub-sections and in Table XV.

Execution of the Administration Expenditures

Secretary-treasurers (rank mean 1.0) were the main participants in the execution of administration expenditures (officials' salaries, trustee expenses, office supplies) as estimated in the budget. Assuming a subordinate role, most superintendents (rank mean 4.7) participate somewhat in this facet of administration. Assistant superintendents (rank mean 5.5) and school boards (rank mean 5.8) participate very little, while principals (rank mean 7.0) and teachers (rank mean 7.0) do not participate whatsoever.

TABLE XV

EXTENT OF PARTICIPATION IN THE ADMINISTRATION OF THE
BUDGET BY EXPENDITURE CATEGORY AND PARTICIPANT,
AS INDICATED BY SUPERINTENDENTS

Budget category (type of expenditure)	Mean rank ^a assigned participant					
	Superin- tendent	Asst. ^b superin- tendent	Sec.- treas.	School board	Prin- cipals	Teachers
Administration	4.7	5.5	1.0	5.8	7.0	7.0
Instruction	3.9	5.1	1.8	5.6	7.0	7.0
Instructional aids	2.0	3.5	2.6	5.5	6.4	6.6
Tuition agreements	5.4	6.0	1.4	4.8	6.9	7.0
Plant operation and maintenance	4.9	6.4	1.1	4.6	6.1	7.0
Debt charges	6.7	7.0	1.0	5.7	7.0	7.0
Capital and loan fund	5.5	6.6	1.0	4.9	7.0	7.0
Conveyance and maintenance of pupils	6.1	6.5	1.0	3.2	6.9	7.0
Responsibility for budgetary control	4.0	5.9	1.1	4.5	6.5	6.9

a The "mean rank" is the arithmetic average of all the ranks assigned each participant by the superintendents. Therefore, the mean ranks are continuous numbers from one to seven and indicate the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; and 7, no participation.

b Of the twenty-four divisions responding to the questions, eleven do not have an assistant superintendent.

Administration of Instruction Expenditures

Instruction estimates include teacher salaries, institutes, and bursaries. Secretary-treasurers (rank mean 1.8) are the main participants, with the superintendents (rank mean 3.9) assisting to a certain extent. Assistant superintendents (rank mean 5.1) and school boards (rank mean 5.6) participate very little. Principals (rank mean 7.0) and teachers (rank mean 7.0) are not involved in this aspect of administration.

Administration of Instructional Aids Expenditures

Instructional aids administration involves the purchase of correspondence courses, library and reference materials, textbooks and instructional supplies. Superintendents (rank mean 2.0) and secretary-treasurers (rank mean 2.6) are both extensively involved in the administration of this budget category. Most assistant superintendents (rank mean 3.5) are also quite active in this area. School boards (rank mean 5.5), principals (rank mean 6.4) and teachers (rank mean 6.6) are involved very little in the administration of instructional aids expenditures.

Administration of Tuition Agreement Expenditures

Tuition agreements between school authorities are almost exclusively administered by the secretary-treasurers (rank mean 1.4). School boards (rank mean 4.8) are also involved somewhat. Superintendents (rank mean 5.4) and assistant superintendents (rank mean 6.0) participate very little with the administration of this

part of the budget. As a whole, principals (rank mean 6.9) and teachers (rank mean 7.0) do not assist directly in the administration of tuition agreements.

Administration of Plant Operation and Maintenance

Secretary-treasurers (rank mean 1.1) are extensively involved in this expenditure category; school boards (rank mean 4.6) and superintendents (rank mean 4.9) are somewhat involved, probably on an advisory basis. Principals (rank mean 6.1), assistant superintendents (rank mean 6.4) and teachers (rank mean 7.0) assist very little, if any, with this area of administration.

Administration of Debt Charges Expenditures

All debenture installments, not eligible for reimbursement under the Foundation Program, as well as other debt charges (capital loans, mortgage loans, operational loans, interest, bank charges, etc.) must be serviced on a regular basis. Secretary-treasurers (rank mean 1.0) are almost exclusively involved in this administrative responsibility. The school boards (rank mean 5.7) and superintendents (rank mean 6.7) assist very little while principals (rank mean 7.0) and teachers (rank mean 7.0) are not involved whatsoever.

Administration of Capital and Loan Fund

Capital and loan funds available through debentures, mortgages, short term loans or the revenue fund must be applied to overexpenditures of previous years, capital projects commenced in previous years, or to new capital projects. Secretary-treasurers (rank mean 1.0) are

the leading participants in this administrative area. School boards (rank mean 4.9), superintendents (rank mean 5.5) and assistant superintendents (rank mean 6.6) are involved very little, while principals (rank mean 7.0) and teachers (rank mean 7.0) are uninvolved.

Administration of Expenditures for Conveyance and Maintenance of Pupils

As mentioned formerly, most schools in school divisions of Alberta are centralized, therefore, approximately one half of the students must be conveyed to or board near the centrally located institution. According to the superintendents' responses, this comprehensive aspect of administration is usually assumed by the secretary-treasurer (rank mean 1.0). School boards (rank mean 3.2) are quite extensively involved, while superintendents (rank mean 6.1), assistant superintendents (rank mean 6.5), principals (rank mean 6.9) and teachers (rank mean 7.0) are seldom, if ever, involved.

Responsibility for Budget Control

Although the ultimate responsibility for budgetary control remains with the school board, in most school divisions, the secretary-treasurer (rank mean 1.1) has been delegated or assumes the responsibility. With a rank mean of 4.0, most superintendents assume a fair degree of responsibility for budget control. School boards (rank mean 4.5) also participate somewhat in this very important area. Assistant superintendents (rank mean 5.9) and principals (rank mean 6.5) are involved a little, while teachers (rank mean 6.9) are seldom involved.

III PRACTICES IN APPRAISING THE BUDGET

Various practices for appraising the budget document and procedures are recommended by the authorities. Secretary-treasurers were asked to indicate which procedures were followed in their divisions; the information is summarized in Table XVI. All twenty-six divisions (100 percent) indicated that regular financial reports showing actual receipts and expenditures in comparison to estimated receipts and expenditures were presented to the board by the secretary-treasurer. Appraisal forms, rating scales and checklists were used by only one division (4 percent). Five divisions (19 percent) utilized operational and post audits. Fifteen divisions (58 percent) indicated that the secretary-treasurers and superintendents continuously studied and evaluated the budget. None of the school divisions employed outside experts to appraise the budget document and procedures.

IV PERSONNEL INVOLVED IN APPRAISING THE BUDGET

Extent of Participation in the Appraisal of the Budgetary Procedures

In surveying the participation in the budget appraisal process, the same technique was employed as was used to determine who participated in the other budgetary procedures. Superintendents were requested to rank the extent to which six individuals or groups of individuals--superintendent, assistant superintendent, secretary-treasurer, school board, principals and teachers participated. The

TABLE XVI

METHODS AND DEVICES USED BY DIVISIONS TO APPRAISE THE EFFECTIVENESS
OF BUDGET PREPARATION AND ADMINISTRATION AS REPORTED
BY SECRETARY-TREASURERS

Methods and devices	Number of divisions N = 26	Percent of divisions
Regular financial reports from the secretary-treasurer showing actual receipts and expenditures in comparison to estimated receipts and expenditures	26	100
Appraisal forms, rating scales and checklists	1	4
Operational and post audits	5	19
Continuous subjective study and evaluation by the sec. treasurer and superintendent	15	58

assigned ranks indicated the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; and 7, no participation.

The means of the ranks assigned by the superintendents and shown in Table XVII indicate that secretary-treasurers (rank mean 2.0) and superintendents (rank mean 2.6) are both extensively involved. School boards (rank mean 3.9) and assistant superintendents (rank mean 5.0) are somewhat involved. Principals (rank mean 6.8) and teachers (rank mean 7.0) are seldom, if ever, involved in the appraisal process.

To further investigate who participated in the appraisal process, superintendents were requested to indicate who received copies of the budget expenditure and income reports (frequently known as financial statements). Fourteen divisions (64 percent) present personal copies of these statements to the superintendents. Assistant superintendents in five divisions (38 percent) and trustees in seventeen divisions (77 percent) receive personal copies. Only one division (5 percent) presents copies of the financial statements to their principals; teachers never receive such reports.

VI CHAPTER SUMMARY

The practices involved in budget administration are dealt with in Section I. The major findings were:

1. Although all accounting systems relate directly to budget, only 19 percent of the divisions employ a form of accrual accounting whereby the unobligated balance in each category can be ascertained.

TABLE XVII

EXTENT OF PARTICIPATION IN THE APPRAISAL OF THE BUDGETARY
PROCEDURE BY PARTICIPANTS AND MEAN OF RANKS AS
INDICATED BY SUPERINTENDENTS

Participants	Mean of ranks assigned by superintendents ^a
Secretary-treasurers	2.0
Superintendents	2.8
School boards	3.9
Assistant superintendents ^b	5.0
Principals	6.8
Teachers	7.0

a The "mean of ranks" is the arithmetic average of all the ranks assigned each participant by the superintendents. Therefore, the mean ranks are continuous numbers from one to seven and indicate the following: 1 to 2+, extensive participation; 3 to 4+, some participation; 5 to 6+, very little participation; and 7, no participation.

b Of the twenty-four divisions responding to the questionnaires, eleven do not have an assistant superintendent.

2. Thirty-five percent of the divisions make budget transfers after an amendment has been passed by the Board.
3. Fifty-four percent of the divisions secure a short term loan to meet emergencies.
4. Surplus funds in specific accounts from a fiscal year are transferred to other accounts and expended in 46 percent of the divisions.
5. Seventy-three percent of the school boards receive monthly financial statements; the remainder receive bi-annual, quarterly or semi-annual reports.

The extent of participation of selected school personnel in the administration of the various categories or facets of the budget was examined in Section II. The major findings were:

1. The secretary-treasurers are extensively involved in administering all categories and/or aspects of the budget.
2. Superintendents are extensively involved in administering the instructional aids categories; they assist somewhat in the remaining areas.
3. Assistant superintendents are involved very little in budget administration, except in the category of instructional aids.
4. School boards are somewhat involved in administering the category--conveyance and maintenance of pupils; otherwise, they are involved directly to a very limited extent.
5. Principals and teachers are seldom involved in administering the budget except in the area of instructional aids.

The techniques used and the personnel involved in appraising the budget are surveyed in Section III and IV.

1. Regular financial reports and continuous subjective evaluation of the budget by the secretary-treasurer and superintendent are the usual approaches to appraising the budget.
2. The secretary-treasurer and superintendent are the leading participants involved in appraising the budget.
3. Personal copies of the budget expenditure and revenue reports are distributed to 77 percent of the school trustees, 64 percent of the superintendents, and to very few of the assistant superintendents, principals or teachers.

CHAPTER VII

CONCLUSIONS AND RECOMMENDATIONS

The main conclusions resulting from the study on budgeting are described in Section I. In Section II, the recommendations resulting from the study are presented.

I CONCLUSION

The review of the related literature on budgeting and the responses to the questionnaires from secretary-treasurers and superintendents in school divisions of Alberta provided the basis for the following conclusions as they apply to the budget policies and procedures.

Budget Policies

1. Most school divisions do not have a specific set of written budget policies; usually the policies influencing the budget are spread throughout the board meeting minutes. As a result, the policies are not evaluated and revised on a regular basis.
2. Multiple areas such as the following are covered in the prevailing budget policies: lines of authority and responsibility for budget preparation, presentation to the school staff and community, the budget calendar, budget evaluation, appraisal procedures, teaching load, teacher certification levels for varying grade levels and amount of teaching equipment and aids. Although not in the written form, most school divisions follow policies covering: preparation responsibilities, presentation responsibilities, responsibility for fiscal control, amount of secretarial assistance and amount of transportation for extra-curricular activities.

3. Most superintendents consider the present school board budget policies to be inadequate.
4. Those affected by divisional budget policies seldom have an opportunity to react to proposed policies prior to their adoption.

Budget Preparation

1. Budget making is not a continuous process as most divisions take three to four months to prepare the annual budget. Initial preparation usually commences in February, while many start in January or March.
2. There appears to be a lack of involvement of trustees, principals, and teachers in the overall preparation process; only about half of the divisions utilize some form of budgetary requisition blanks or hold conferences with their principals in order to encourage participation.
3. Most of the school divisions do not follow a long range capital budget reaching over two or more years.
4. The educational, expenditure and revenue plans of the budget are usually prepared simultaneously with the locally prepared educational plan seldom forming the basis for the other plans.
5. The main aids used for budget preparation are budgets from former years and annual audited financial statements. Employment of these aids and the presence of a contingency fund in most budgets probably verifies the superintendents' opinions that expenditure estimates are usually arrived at by lump sum estimation rather than line-by-line estimation.
6. Standardized amounts per pupil are frequently used in budgeting for the following: library and reference books, instructional supplies and textbooks. This method is seldom used in estimating the budget for extra curricular transportation and office equipment. For instructional supplies, over half of the divisions allot funds to each school on a per student unit basis differentiated according to the grade levels and program offered.
7. Budget estimation is usually based on estimates from one previous budget and seldom made on two levels (minimum and desirable), therefore, boards seldom budget on the multi-level or alternative program basis. As a result, budget cuts are usually made on instructional aids or capital items out of current revenue rather than on low priority items.

8. Most locally prepared budgets contain the same categorization and only somewhat more detail than that required in the Department of Education Budget Report Form. Supporting documents and written statements justifying specific expenditures are seldom included.
9. The two greatest hindrances to efficient budget preparation appear to be the following: the late announcement of the provisions of the School Foundation Program Fund, and the budgeting for portions of two school terms with changing enrolments, personnel and programs.
10. Very few divisions budget for a revenue fund surplus sufficient to carry the unit until receipt of grants under the School Foundation Program Fund.
11. Budget preparation in school divisions is usually done by the secretary-treasurer; the superintendent assumes the leading role in the preparation of the following: education plan (if any), instruction estimates and instructional aids estimates. On the whole, there is a lack of involvement by the board, the professional teaching staff and other employees.

Budget Presentation and Adoption

1. Although the initial presentation of the budget usually occurs in March or April, most school divisions do not present their budgets to the board until after receipt of the School Foundation Program Fund Regulations. Adoption does not occur until April or May, which is four or five months after the commencement of the fiscal year.
2. School divisions follow unsound procedures in presenting the budget to the board. A document without supporting statements and sent out one week in advance of the initial presentation does not enable the taxpayers' representatives to deal intelligently with each item.
3. The budget is not adequately interpreted to the public as very few divisions publicize it or have interested citizens attending their regular budget meetings.
4. The collecting authorities (municipalities) upon which the supplementary requisition must be levied are usually not represented at the school divisions' budget meetings.
5. Most school divisions do not make special arrangements for their school staff or their representatives to participate in the presentation of the budget to the board. As a result, they probably do not understand the budget as it applies to them or

5. (continued)
the educational program for which they are responsible.
6. The main participants in presenting the budget at the regular budget meeting include the secretary-treasurer and superintendent.

Budget Administration and Appraisal

1. Most accounting systems in the school divisions of Alberta relate directly to the budget; entries are made to the expenditure ledger upon payment, therefore, the unobligated balance in each budget category cannot be readily ascertained.
2. Budget amendments to authorize the transfer of funds between major categories are seldom passed by the board. The administrators merely make the transfer with the board remaining uninformed.
3. Surplus funds which develop in specific accounts during the fiscal year are usually transferred to other categories, and not to the same category of the new budget.
4. Many of the personnel associated directly with budget administration fail to receive monthly financial statements or information on the obligated balance in the accounts pertinent to them.
5. Monthly financial statements and continuous subjective study by the secretary-treasurer and superintendent are the usual means of appraising the budgetary process and document.

II RECOMMENDATIONS

The literature on budgeting and the responses to the questionnaires led to the following recommendations pertaining to budget policies and procedures.

Budget Policies

1. Each school division should undertake to develop a specific manual of written budget policies which can be readily evaluated and revised on a scheduled basis. An exchange of these policies between school divisions and other educational authorities would facilitate the development of such policy manuals and create some consistency between jurisdictions. Some organization, such as the Alberta School Trustees' Association should prepare

1. (continued)
sample budget policies covering all areas of budgeting for the guidance of divisional boards.
2. The organizational structure of the school divisions should be examined to ascertain why there is an apparent lack of staff involvement in budget policy formulation. A clarification of the lines of authority and an improvement in communication between the employees and the administration would probably result in a more efficient organization.

Budget Preparation

1. Each school division should follow a locally constructed budget calendar. An organization such as the Department of School Administration should suggest a sample budget calendar which, when adopted would make budgeting a continuous process and possibly increase staff involvement.
2. Exploratory programs emphasizing staff involvement in the preparation process should be designed and carried on in selected divisions under some research orientated body. Representatives from such organizations as the Department of Education, Alberta School Trustees' Association, and the Alberta Teachers' Association should co-operate in the various stages of this project.
3. The Department of Education should investigate the present arrangements for financing capital projects with a view to encouraging more long range planning at the local level. Perhaps the School Buildings Board have assumed too much responsibility for capital expenditures; as a result, school boards are unconcerned about the proverbial "white elephants" because the School Foundation Program Fund will service the greatest proportion of the capital debt.
4. Although the provincial Department of Education suggests a program of studies for the various levels, many decisions as to specific courses in each school are still left to the divisional board. The results of these decisions--the educational plan--should be a requirement in the budget document. Then, even if the supplementary requisition and budget were subjected to a local referendum, the lay public would probably show greater willingness to support the program and the financial needs of the division.
5. Specific policies governing the allocation of funds (eg. on a formula or standard unit basis) would help alleviate the amount of lump sum estimation. Such policies would assure equitable distribution of materials, equipment and personnel within each school of a division.

6. A form of decentralized budgeting whereby the various schools and/or departments are allocated certain funds for instructional supplies and/or aids would require principals and teachers to become involved in the budgeting process. This would improve budget preparation, morale, and facilitate budget control.
7. Budget estimates should be made on two levels--minimum and desirable; some indication of priority should be established on each item, thus eliminating the necessity for "across the board" cuts.
8. To assist the school board and public in understanding the budget, supporting documents and statements should justify each expenditure. A form of performance budgeting would result.
9. The Department of Education of the Province of Alberta should explore the feasibility of announcing the Foundation Program Fund Regulations in advance of the school division's fiscal year. Making the fiscal year congruent with the school year and announcing the grant regulations well before the commencement of the fall term would probably facilitate more effective budgeting.
10. School divisions should be encouraged to budget for a revenue fund surplus sufficient to carry the unit until receipt of grants under the Foundation Program Fund. This would eliminate expensive short term loans, curtailment of programs and other emergency measures.

Budget Presentation and Adoption

1. Announcing the Foundation Program Fund Regulations prior to the commencement of the school divisions' fiscal year would facilitate presentation and adoption at an earlier date.
2. A budget calendar should make budget presentation a continuous process of developing budget policies throughout the year. The presentation of the budget when accompanied by written budget policies, statements and supporting documents should create public understanding and confidence in the school systems.
3. To encourage attendance of interested citizens at the annual budget meetings, the budget presentation should be held a prescribed day each year with accompanying suitable publicity. An attractive budget document in layman's language should be distributed prior to the presentation; this would muster public interest, confidence and support for the educational program to be supported.

4. As long as the collecting authorities are allowed to dispute the supplementary requisition levied on them by the school divisions, each municipality should be legally required to send representatives to the budget meetings. This arrangement is consistent with the municipalities right of appeal to the Local Authorities Board.
5. Each school division should develop policies which allow for greater staff participation in the presentation process.

Budget Administration and Appraisal

1. School divisions should be required to employ some form of accrual accounting whereby the unobligated balance in each account can be readily ascertained. This would help facilitate budgetary control and the issuing of accurate monthly financial statements.
2. Boards should be legally required to pass a budget amendment for the transfer of funds between major budget categories; as a result, trustees would be more actively involved in budget administration.
3. Surplus funds which develop in specific accounts should be transferred to the budget of the new fiscal year as they were probably due to lump sum estimation and "padding". Applying the surplus to the new budget would have a stabilizing effect upon the supplementary requisition rates.
4. The board and each member of the administrative team should receive copies of the monthly financial statement; they would thus become cognizant with administration which would facilitate budget control and appraisal.
5. School divisions should be encouraged to utilize multiple budget appraisal devices or procedures including: checklists, rating scales and examination by outside consultants. Perhaps some organization such as the School Business Officials Association could prepare checklists or rating scales which could be adapted to each school division.
6. This study indicates that there is a lack of sound budgetary procedures being practiced in the school divisions of Alberta. To help rectify the situation, programs such as the following should be made available to secretary-treasurers, superintendents and trustees:
 - a. Courses offered by the universities which emphasize budgeting and finance as it is applicable to the Alberta scene.
 - b. Inservice training workshops on budget procedures by such organizations as the Alberta School Trustees' Association, Department of Education and/or the Department of Extension.

6. (continued)
 - c. Publication of brochures and/or manuals emphasizing sound budget procedures for the school divisions of Alberta.

APPENDIX A

COVERING LETTERS SENT WITH QUESTIONNAIRES

4875 107 Street
Edmonton, Alberta
April 1, 1968

Dear Colleague:

As a part of my graduate program at the University of Alberta, I have undertaken a study of "Budget Procedures in School Divisions of Alberta". The study will survey present practices in the preparation, presentation, adoption, administration and appraisal of the budget. My research project has been approved by the Department of Educational Administration. I have discussed the study with officials from the Department of School Administration.

You, as a school administrator, realize more than anyone else the importance of sound practices in budgeting. Because of this, I would be very grateful if you could find time in your busy schedule to respond to the enclosed questionnaire.

To obtain the information I need, it has been necessary to divide one long questionnaire into two parts--one responded to by secretary-treasurers and the other by superintendents. Therefore, the questionnaire may be responded to individually or in co-operation with your associate.

Approximately twenty minutes of your time will be needed to complete the questionnaire. A self-addressed envelope is enclosed for return of the completed questionnaire. Your responses will be confidential and only the consolidated findings will be reported.

I thank you in advance for your time and effort.

Yours sincerely,

James E. Finnman

JEF/jb
Encl.

4875 107 Street
Edmonton, Alberta
May 6, 1968

Dear Colleague:

Sometime ago, I sent you a questionnaire concerning "Budgetary Procedures in School Divisions of Alberta". To date, I have not received your questionnaire. If you have already returned the completed questionnaire, kindly disregard this reminder.

If you have not completed the questionnaire, I would be very grateful if you could find time in your busy schedule to complete it. A hundred percent return will enable me to make a successful survey leading to more valid conclusions on the status of budgeting in the school divisions.

A second copy of the questionnaire is enclosed in the advent the former one has been inadvertently mislaid.

Please accept my thanks in anticipation of receiving an early response from you.

Yours sincerely,

James E. Finnman

JEF/jb
Encl.

APPENDIX B

QUESTIONNAIRE SENT TO SUPERINTENDENTS
OF SCHOOL DIVISIONS

BUDGETARY PROCEDURES IN SCHOOL DIVISIONS OF ALBERTA

Questionnaire To Superintendents

Introduction to the Questionnaire

When referring to the budget in this study, the connotation does not refer only to the Department of Education Report Form (1315-23F); any documents that are designed and used locally should also be included as a part of the budget.

Please answer all questions in accordance with your present practices except where opinions are requested. Your responses will be treated as confidential and only the consolidated findings will be reported. Please answer each question to the best of your knowledge.

I. Multiple Choice--In each of the following sixteen items, indicate the budgetary practices followed by placing the letter of your response in the blank space provided.

____ 1. Which statement best describes the budget policies of your division?

A--11 A. No written policies have been developed and adopted.

B--9 B. The budget policies are found throughout the minutes of the board meetings.

C--2 C. The budget policies are included in a budget manual for the information of the board, secretary-treasurer and superintendent, but not for principals.

D--1 D. The budget manual referred to above in C is also distributed to principals.

E. Other (please list) _____

____ 2. If the board has written budget policies, how many years have they been in affect?

A. 0 B. 1-3 C. 4-6 D. 7-10 E. over 10

____ 3. Are personnel who will be affected by new budget policies given the opportunity to react to these policies prior to their adoption?

A--3
B--11
C--6
D--4 A. Never B. Sometimes C. Frequently D. Always

- ____ 4. If the board has written budget policies, how frequently are they re-adopted?
- A. Semi-annually B. Annually C. Bi-annually
- D. No definite schedule
- ____ 5. How frequently are the budget policies evaluated and revised?
- A--0
- B--1 A. Monthly B. Semi-annually C. Annually
- C--8
- D--0 D. Bi-annually E. Very infrequently
- E--4
- ____ 6. In your opinion, how adequately do the budget policies cover the various budget areas?
- A--3
- B-10 A. Very inadequate B. Somewhat inadequate
- C--8
- D--3 C. Adequate D. Very adequate
- ____ 7. In addition to the current budget, a capital or long range budget scheduling when certain goals and objectives (including capital projects and programs) will be fulfilled, reaches over how many years?
- A--4
- B--4
- C--0
- D--1 A. 2 years B. 3 years C. 4 years D. 5 years
- E--1
- E. 6 or more years
- ____ 8. Which statement best describes the relation of the locally prepared educational plan (specific description of courses, services and programs to be offered) to budget preparation in your division?
- A--3
- B--4
- C--11
- D--4 A. Little reference is made to an educational plan or program during budget preparation.
- B. A detailed educational plan (or program) is determined and agreed upon for the ensuing year before the expenditures and revenues are estimated.
- C. The educational, expenditure and revenue plans are prepared simultaneously.
- D. The amount of revenue is ascertained and the educational and expenditure plans are made to fit within these limitations.

- ____9. Teachers, principals and staff members usually make budgetary requests on what basis?
- A--8
B--8 A. Minimum or basic needs B. Desirable needs C. Both
C--8 minimum and desirable needs (two levels)
- ____10. To what extent are lines of authority and responsibility specified as to who should participate in budget preparation?
- A--10
B--8
C--6 A. They are not defined. B. They are vaguely defined.
C. They are clearly defined.
- ____11. How frequently is an educational plan (in addition to and in greater detail than that provided by the department) included with the annual budget?
- A--4
B--1
C--5 A. Always B. Almost always C. Occasionally
D--6
E--6 D. Seldom E. Never
- ____12. Which method do you and the secretary-treasurer normally follow in the preparation of the budget?
- A--0
B--9 A. A padded budget is prepared for presentation because the
C--13 board will automatically cut the proposed budget by x%
D--0 or x\$.
- B. Detailed estimates and data along with requisitions from each school make it possible to justify each item of the proposed budget to the board.
- C. Lump sum estimates of budgetary expenditures and revenue are obtained mainly by comparison with former years, plus an allotted amount based on increases in price levels.
- D. Other (Please list) _____
- ____13. Which statement best describes the budget procedure in your school division for instructional supplies for the individual schools?
- A--3
B--14
C--2 A. Funds are allotted to each school on a per school basis
D--4 irrespective of grade level; the principals and staff requisition up to the amount allotted for their school.

13. Continued

- B. Funds are allotted to each school on a per student unit basis differentiated according to grade level and program offered; the principal and staff requisition up to the amount allotted for their school.
- C. A teacher-principal committee from each school submits a school budget to the board; after approval (or cutting) by the superintendent and the board, the necessary allotments and requisitions are completed.
- D. The secretary-treasurer and/or superintendent budgets a lump sum for each school or for the division; then, the superintendent or secretary-treasurer allocates supplies as they are needed in the individual schools.
- E. Other (please list) _____

- ____ 14. In your opinion, how adequate is the amount of time which the board devotes to budget preparation?
- A--3
B--10
C--8 A. Very inadequate B. Somewhat inadequate D. Very
D--3
E--0 adequate E. Excessive

- ____ 15. In publicizing the adopted budget, what information is given in the local press?
- A--2
B--1 A. The complete budget
C--3
D--21 B. An abbreviated form--showing only main categories (e.g. administration)
- C. A brief summary along with minutes of the budget meeting
- D. No summary is usually given

16. Indicate with a one (1) the choice which, in your opinion, is the greatest hindrance to efficient budget preparation in the division. Mark two (2) opposite the second greatest, three (3) opposite the third greatest and on up to rank six (6).

2 A. The fiscal year does not follow the school year.

1 B. Revenue plans cannot be made until after foundation grants are known.

#16 continued on next page

16. Continued

5 C. Lines of authority and responsibility for budget preparation are not clear, therefore role conflict occurs between the superintendent and secretary-treasurer.

3 D. No definite budget calendar is followed.

6 E. Budget preparation is primarily a one-man job.

4 F. Trustees lack training and understanding in educational matters.

0 G. Other (please list) _____

II. Check Items

1. Indicate with a check (✓) in the far left blank those areas that are specifically covered by your division's specially designed budget policies. In the left blank place a (W) if the policies are written, and (U) if the policies are unwritten.

(✓) (W,U)		(✓) (W,U)	
W	U	W	U
<u>4</u>	<u>13</u>	<u>9</u>	<u>9</u>
Preparation responsibilities		Extent of secretarial assistance for teachers and principals	
<u>5</u>	<u>12</u>		
Presentation to the board			
<u>0</u>	<u>4</u>	<u>1</u>	<u>7</u>
Presentation to the school staff		Teacher load (no. of periods to be taught)	
<u>2</u>	<u>1</u>	<u>1</u>	<u>9</u>
Presentation to the community		Principal load (no. of periods to be taught)	
<u>11</u>	<u>11</u>		
Educational plan (specifies courses, services, special programs)		Maximum class size	
		<u>3</u>	<u>5</u>
<u>2</u>	<u>6</u>	Teacher-pupil ratio in class-rooms	
Budget calendar			
<u>2</u>	<u>11</u>	<u>1</u>	<u>2</u>
Procedure leading to final adoption		Teacher certification level for varying grade levels	
<u>6</u>	<u>10</u>	<u>4</u>	<u>4</u>
Administration of the budget		Non-teaching equipment (no. of projectors, record players, etc. per school)	
<u>1</u>	<u>6</u>		
Budget evaluation			
<u>1</u>	<u>3</u>	<u>10</u>	<u>4</u>
Appraisal program following adoption		Teaching & classroom supplies (amount of paper, chalk, per classroom or school)	
<u>5</u>	<u>9</u>		
Responsibility for fiscal control			

1. Continued

(✓) (W,U)		(✓) (W,U)
<u>W</u> <u>U</u>		<u>W</u> <u>U</u>
<u>9</u> <u>4</u>	No. & types of personnel to be employed	<u>6</u> <u>7</u> Custodial supplies
<u>8</u> <u>5</u>	No. of pupils to be served	<u>3</u> <u>3</u> Description of I.A. or Vocational Ed. Program to be offered
<u>15</u> <u>2</u>	Transportation allowances	<u>0</u> <u>0</u> Other (please list) _____
<u>9</u> <u>5</u>	In-service training (\$x for specific types of activities)	_____

2. Indicate with a check (✓) those individuals or groups (in addition to the municipality and department of education) who annually receive complete copies of the adopted budget and supporting documents.

<u>24</u> Board members	<u>0</u> Teachers
<u>24</u> Superintendent	<u>1</u> Home and School Assoc.
<u>8/13</u> Supervisors or asst. supt.	<u>2</u> Public news media
<u>4</u> Principals-Elementary	<u>0</u> Other (please list) _____
<u>4</u> Principals-High school	_____

3. Indicate with a check (✓) which individuals are given an opportunity to react to the preliminary budget prior to its final adoption?

<u>24</u> Trustees	<u>18</u> Municipal council (or representatives)
<u>24</u> Superintendent	<u>7</u> Official(s) in the provincial Dept. of Education
<u>8/13</u> Supervisors or Asst. Supt.	<u>0</u> Other (please list) _____
<u>24</u> Secretary-treasurer	_____
<u>6</u> Principals	_____

4. Indicate with a check (✓) those methods employed by the division to assist staff members (principals and teachers) in understanding the adopted budget.

10 No explanation is usually given to the staff.

4 Principals receive a copy of the adopted budget.
#4 continued on next page

4. Continued

9 Principals are informed of cuts in their requisitions.

13 Superintendents and (or) secretary-treasurers hold meetings with principals.

2 Superintendents and (or) secretary-treasurers hold meetings with principals and teachers.

0 Other (please list) _____

5. Indicate with a check (✓) those methods used to explain and interpret the adopted budget to the public.

7 Regular budget meeting 2 Radio or T.V.

16 Annual meeting 0 Special pamphlets

0 Home and School meetings Other (please list) _____

0 Service club presentations _____

6 Newspaper _____

6. By writing in the numbers 1, 2, ..., rank the extent to which the persons listed on the right participate in the budgetary process. Add, in the top of the blank columns on the right, the names of any others who participate.

The numbers indicate the following:

1,2--extensive participation

3,4--some participation

5,6--very little participation

7--no participation

	Superintendent	Asst. superintendent	Secretary-treasurer	Board	Principals	Teachers			

The specific educational plan or program for the division is prepared by

1.4 1.8 4.5 4.3 4.5 5.9

The educational plan or program is related or integrated into the budget by

1.5 1.7 4.7 4.5 4.6 6.0

Administration estimates are prepared by

4.0 4.6 1.0 4.8 6.6 7.0

6. Continued

	Superintendent	Asst. superintendent	Secretary-treasurer	Board	Principals	Teachers			
Instruction estimates are prepared by	1.5	2.7	2.8	4.7	5.1	6.5			
Instructional aids estimates are prepared by	1.6	2.6	3.2	4.9	4.5	5.6			
Tuition agreement estimates are prepared by	3.8	5.2	1.2	4.5	5.8	6.8			
Plant operation and maintenance estimates are prepared by	4.3	5.4	1.3	3.0	5.5	6.8			
Debt charges are estimated by	5.3	6.5	1.0	5.1	6.8	7.0			
Contributions to capital & loan fund estimates are prepared by	4.8	5.8	1.0	5.3	7.0	7.0			
Conveyance and maintenance of pupils estimates are prepared by	5.1	5.8	1.0	4.3	6.8	7.0			
Probable revenue is estimated by	3.9	6.1	1.0	5.0	7.0	7.0			
Comparisons with expenditures of other years are prepared by	4.2	5.6	1.0	5.8	7.0	7.0			
Facts pertinent to the development of the budget are collected by	2.2	4.2	1.0	6.0	6.1	6.9			
Statements regarding reasons for increases and decreases in the proposed budget are prepared by	1.8	4.2	1.5	5.7	6.4	6.9			

6. Continued

	Superintendent	Asst. superintendent	Secretary-treasurer	Board	Principals	Teachers		
The person or group that is primarily responsible for the total budget preparation other than legally is the	4.5	6.5	1.4	5.9	7.0	7.0		
The final writing of the budget document is done by	5.9	6.7	1.5	6.5	7.0	7.0		
The person who usually presents the budget at the budget meeting (and justifies each item) is	1.1	2.6	4.8	6.1	6.8	7.0		
Major responsibility for budgetary control following adoption is assumed by	4.0	5.9	1.1	4.5	6.5	6.9		
Appraisal of the effectiveness of the various budgetary procedures is done by	2.0	2.8	3.9	5.0	6.8	7.0		
In administering the budget (developing and implementing the necessary work plans)--								
(a) Administration expenditures are executed by	4.7	5.5	1.0	5.8	7.0	7.0		
(b) Instruction expenditures (salaries & expenses) are executed by	3.9	5.1	1.8	5.6	7.0	7.0		
(c) Instructional aids expenditures are executed by	2.0	3.5	2.6	5.5	6.4	6.6		
(d) Tuition agreement expenditures are executed by	5.4	6.0	1.4	4.8	6.9	7.0		

6. Continued

	Superintendent	Asst. superintendent	Secretary-treasurer	Board	Principals	Teachers
(e) Debt charges expenditures are executed by	6.7	7.0	1.0	5.7	7.0	7.0
(f) Capital and loan fund expenditures are executed by	5.5	6.6	1.0	4.9	7.0	7.0
(g) Conveyance and maintenance of pupils expenditures are executed by	6.1	6.5	1.0	3.2	6.9	7.0
(h) Plant operation and maintenance expenditures are executed by	4.9	6.4	1.1	4.6	6.1	7.0

7. Superintendent's Professional Training and Experience in Educational Finance

(a) Indicate with a check (✓) those courses which have been included in your professional training. If they were taken at a university, place also a U in the blank.

☐ Educational finance ☐ Statistics
☐ Accounting ☐ School law
☐ Economics ☐ Bookkeeping
☐ Degrees or Diplomas (please specify) _____

(b) What has been your experience as a school superintendent? (Write in number of years.)

____ Years as superintendent in this division

____ Years as superintendent in other divisions, counties or districts

____ Total years as a superintendent

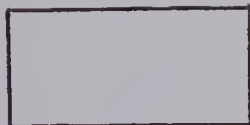
The researcher would appreciate receiving a copy of any of the following which you employ in your division: budget manual, standard supply lists, budget calendar, requisition forms, locally designed budget formats. If you want them returned or extra postage is required, please inform me. If you would appreciate receiving a summary of this survey, please place a check on this line. _____

Appreciating your interest and assistance in completing this questionnaire, I remain,

J. E. Finnman

4875 - 107 Street

Edmonton, Alberta



APPENCIX C

QUESTIONNAIRE SENT TO SECRETARY-TREASURERS
OF SCHOOL DIVISIONS

BUDGETARY PROCEDURES IN SCHOOL DIVISIONS OF ALBERTA

Questionnaire to Secretary-Treasurers

Introduction to the Questionnaire

When referring to the budget in this study, the connotation does not refer only to the Department of Education Budget Report Form (1315-23F); any documents that are designed and used locally should also be included as a part of the budget.

Please answer all questions in accordance with your present practices except where opinions are requested. Your responses will be treated as confidential and only the consolidated findings will be reported. Please answer each question to the best of your knowledge.

- I. Multiple Choice--In each of the following twenty-four items, indicate the budgetary practices followed in your division by placing the letter of your response in the blank space provided.

____ 1. How detailed is the budget classification system prepared and adopted at the local level compared with the Department of Education Budget Report Form? (#1315-23F)

(1) A. Local budget contains less detail.

(3) B. Local budget contains same amount of detail.

(14) C. Local budget contains somewhat more detail.

(8) D. Local budget contains far more detail.

____ 2. To what extent is the budget prepared and adopted in advance of the beginning of the fiscal year?

A--21

B--1

C--1

D--3

A. Never B. Sometimes C. Frequently D. Always

____ 3. To what degree is an annual budget calendar (which specifies what things are to be done, by whom, and when) followed?

A--12

B--2

C--5

D--7

A. Never B. Sometimes C. Frequently D. Almost
always

- ____4. How many drafts of the budget are usually prepared before the final budget is adopted?
- A--1
B--10
C--11 A. One B. Two C. Three D. Four E. Five, or
D--4 more
E--2
- ____5. The prepared budget normally includes a tentative capital budget reaching over how many years?
- A--16
B--4 A. 1 year (no long term capital budget included)
C--4
D--1 B. 2 years C. 3 years D. 4 years E. 5 years
E--1
F. 6 or more years
- ____6. To maintain a supplementary requisition which is relatively stationary, what procedure is followed?
- A--5 A. No attempt is made to maintain a stationary supplementary requisition.
- B--17 B. Cut-backs are made in various budget categories.
- C--1 C. Funds from a relatively large contingency fund are employed.
- D--0 D. Deficits are never incurred, therefore the requisition remains relatively stable.
- E--3 E. Other (please list) _____
- ____7. In the event a budget cut-back is necessary, which categories are usually cut?
- A--4
B--2 A. All proportionately B. Instructional aids
C--10
D--10 C. Those not marked as priority items D. Expenditures
E--0 out of current revenue E. Other (please list) _____
- ____8. In budgeting, what is your objective?
- A--1 A. A revenue fund surplus at the end of the fiscal year sufficient to cover expenditures until receipt of foundation plan grants.
- B--24 B. A balanced budget for the fiscal year.

____8. Continued

C--1 C. A fairly large surplus which can be applied to the next fiscal year's budget.

____9. In estimating expenditures and revenues for the current year, how many previous years are used for comparison?
 A--0 D--7
 B--12 E--1
 C--4 F--2 A. 0 B. 1 C. 2 D. 3 E. 4 F. 5 or over

____10. Approximately how many months are consciously used in the preparation, presentation and adoption of the budget?
 A--3
 B--9
 C--12 A. 1 mo. B. 2 mo. C. 3-4 mo. D. 5-6 mo.
 D--8
 E--0 E. 7-9 mo. F. 10-12 mo.
 F--0

____11. The average emergency or contingency fund is what percentage of the total school budget?
 A--12
 B--3
 C--1 A. 1-2% B. 3-4% C. 5-6% D. 7-8% E. greater than 8%
 D--1
 E--0

____12. If a 2 mill deficit was incurred during a fiscal year, what additional supplementary requisition would probably be levied the following year or years to replenish the contingency or emergency fund?
 A--15
 B--0
 C--0
 D--6 A. 2 mills for x years B. 4 mills for x years
 E--5
 C. 6 mills for the next fiscal year D. 8 mills for the next fiscal year
 E. Other (please list) _____

____13. Which method do you and the superintendent normally follow in the preparation of the budget?
 A--0 A. A padded budget is prepared for presentation because the board will automatically cut the budget by x% or \$x.
 B--18 B. Detailed estimates and data, along with requisitions from each school are obtained so that each item in the budget can be justified.

____ 13. Continued

- C--8 C. Lump sum estimates of budgetary revenues and expenditures for each category are obtained by comparison with former years plus an allotted amount mainly based on increases in price levels.

____ 14. How far in advance of the regular budget meeting is the proposed budget given (or sent) to the trustees?

- A--7 A. Given at the regular budget meeting
 B--0 B. 1-4 days in advance of the meeting
 C--10 C. 1 week in advance of the meeting
 D--4 D. 2 weeks in advance of the meeting
 E--3 E. 3 or more weeks in advance of the meeting
 F--2 F. Given continually in advance of the meeting

____ 15. After the budget is presented to the board at the regular meeting, when is it normally adopted?

- A--5
 B--11 A. The same day it is presented B. At a special meeting
 C--6
 D--5 approximately 2 weeks later C. At the next regular meeting
 D. Other (please list) _____

____ 16. What is the average annual number of citizens (in addition to trustees, supt., sec-treas., and representatives from collecting authorities) who attend your regular budget meeting?

- C--3
 D--3
 E--0 A. 0 B. 1-5 C. 6-25 D. 26-50 E. 51-100
 F--0
 G--0 F. 101-200 G. Over 200

____ 17. (a) The supplementary requisition of your division must be levied upon how many collecting authorities?

- A. 1-2 B. 3-4 C. 5-6 D. 7-8 E. 9-10
 F. 11 or more

#17 continued on next page

____ 17. Continued

(b) How many of the collecting authorities are usually represented at the regular budget meeting?

A. 0 B. 1-2 C. 3-4 D. 5-6 E. 7-8

F. 9-10 G. 11 or over

<u>No. of collecting authorities</u>	<u>17b,0</u>	<u>17b,1-2</u>	<u>17b,3-4</u>
A	1		
B	3	4	1
C	6	1	4
D	3		
E			
F		1	

____ 18. In the administration of your budget, what procedure is followed?

A--0 A. As soon as contracts are let or purchase orders are signed, the obligations so incurred are charged immediately against the affected account as encumbrances (accrual accounting).

B--21 B. Entries are made in the expenditure ledger only when payments are actually made. (Accounting on the basis of receipts and payments only.)

C--5 C. A separate record is kept of unpaid obligations against each account in order to ascertain the unobligated balance in the budget for each item.

____ 19. How frequently are budget expenditures and income reports given to the school board?

B--2

C--4 A. Monthly B. Bi-monthly C. Quarterly D. Semi-

D--1

E--0 annually E. Annually

____ 20. In order to meet emergency needs, which procedure is usually followed?

A--5 A. Funds are taken from the contingency fund.

B--14 B. A short term loan is transacted.

C--1 C. Money is transferred from other accounts or categories.

D--6 D. An over-expenditure is allowed.

____ 21. To transfer money from one budget item or category to another, what procedure is followed?

A--7 A. The secretary-treasurer makes the transfer on his own initiative; the board is merely informed of the transfer.

B--1 B. The secretary-treasurer and superintendent assume the responsibility and make the necessary transfer. The board remains uninformed and passes no budget amendment.

C--9 C. The board as a whole passes a budget amendment authorizing the transfer; the secretary-treasurer then makes the transfer.

D--4 D. Other (please list) _____

____ 22. To what extent is the accounting system keyed to the budget classification system?

A--0 A. No relationship exists B. Some relationship exists

B--3

C--23 C. One relates directly to the other

____ 23. If as a result of decreasing enrolments or over-budgeting, a surplus appears to be developing in a specific account, what action is taken?

A--10 A. The surplus is maintained and applied to the next fiscal year.

B--12 B. The surplus is transferred and applied to other accounts for this fiscal year.

C--4 C. Other (please list) _____

____ 24. Indicate with a one (1) the choice which, in your opinion, is the greatest hindrance to efficient budget preparation in the division. Mark two (2) opposite the second greatest, three (3) opposite the third greatest and on up to rank 6.

Order of ranks

2 A. The fiscal year does not follow the school year.

1 B. Revenue plans can not be made until after foundation plan grants are known.

4 C. Lines of authority and responsibility for budget preparation are not clear, therefore role conflict results between the superintendent and secretary-treasurer.

____ 24. Continued

 5 D. Budget preparation is a one-man job.

 3 E. Board members lack training and experience in educational affairs.

____ F. Other (please list) _____

II. Check Item.

1. Indicate with a check (✓) the procedures or documents which are annually employed in collecting data for the expenditure estimates.

 7 Surveys or comparative statistics from other divisions and counties

 12 Expenditure ledger

 5 Property ledger

 11 Cost accounting on alternate schemes (or unit cost analysis)

 19 General ledger

 3 A budget calendar

 9 Schedule for maintenance and renovations for 2, 3, 4, or 5 years

 9 A budget workbook of file

 1 Revolving fund account

 8 Equipment replacement schedule whereby x pieces of A-V. equipment are replaced yearly

 12 Budgetary requisition blanks from teachers and principals

 17 Board minutes

 12 Standard list of pupil supplies per school or classroom eg. pencils, notebooks

 23 Budgets from former years

 23 Annual audited financial reports

 10 Standard list of office or work room equipment per school

 3 Standard per pupil rate or allowance irrespective of grade level or program for classroom supplies and teaching aids

 7 Inventories

 18 School enrolment projections

 13 Standard per pupil rate or allowance differentiated according to grade levels or programs for classroom supplies and teaching aids

 5 Attendance reports

1. Continued

12 Standard list of playground equipment per school or classroom

10 Personal conferences with teachers, principals, and custodians

Other (please list) _____

2. Indicate with a check (✓) the procedures which are directly employed in arriving at the revenue estimates?

2 Data from Dominion Bureau of Statistics on price level increases

9 Mill rate trends

16 Audited financial reports for former years

0 Financial Post predictions

26 Provisions of School Foundation program

9 Assessment trends

Other (please list) _____

3. Indicate with a check (✓) those areas for which separate budgets are set up within the main divisional budget.

16 No division beyond that prescribed by the Department Budget Report Form

By level (Elem., J.H.S., H.S.)

8 High Schools (individually)

2 High School Dept. (individually)

8 Elementary schools (individually)

Other (please list) _____

4. Indicate with a check (✓) those areas where standardized figures or formulas have been established for budget preparation purposes (e.g. \$1.25 per student for library books).

17 Instructional supplies (aids)

8 Pupil supplies

13 Classroom supplies

23 Library and Reference books

6 Office and classroom equipment

High School Depts.

Elementary schools (individually)

8 Transportation

High schools (individually)

Separated by levels (Elem., J.H.S., H.S.)

Other (please list) _____

5. Indicate with a check (✓) those supporting documents which are annually prepared and included with the budget for the information of the board. If only the Departmental Budget Report Form is included, do not check any other documents.

- | | |
|--|--|
| <u>17</u> Analysis of certificated salaries, number and position | <u>7</u> Details as to quantity of materials and supplies to be purchased during fiscal year with standards of consumption |
| <u>16</u> Analysis of the cost of classified personnel (custodial, clerical) | |
| <u>14</u> Analysis of fixed charges | <u>4</u> Construction plan for 1, 2, 3, or 4 years |
| <u>5</u> Analysis of special funds | <u>15</u> Details of the maintenance program |
| <u>8</u> Bonded indebtedness and schedule of retirement | <u>9</u> Equipment replacement schedule |
| <u>17</u> Sources and amounts of revenue | <u>7</u> Attendance projections |
| <u>17</u> Past <u>years</u> comparison of expenditures | <u>1</u> Cost of living index |
| <u>Supporting tables</u> | <u>0</u> Letter of transmittal |
| <u>8</u> Justification facts or explanation for each or all requests | <u>1</u> Table of contents |
| <u>4</u> The education plan or program | <u>3</u> Other (please list) <u>No supporting documents ever included</u> |

6. Indicate with a check (✓) those methods used in presenting supporting documents of the budget, listed in #5, to the board.

- | | |
|---|-----------------------------------|
| <u>Duplicated reports or statistics</u> | <u>Graphs</u> |
| <u>Pictures</u> | <u>Tables or comparative data</u> |
| <u>Blackboard</u> | <u>Other (please list)</u> |
| <u>Overhead projector</u> | |

7. Specify the month in which the following budgetary activities are usually performed. (Use abbreviated form e.g. Feb.)

Mo.

- A. Initial preparation of the budget is begun in 1S, 1N, 2D,
6Ja, 9F, 7Mar.
- B. Budgetary requisition blanks for instructional 2D, 4Ja, 1Mar,
aid (if used) are sent to principals in 1A, 1 May.
- C. Requisition lists for instructional aids (if 1D, 1Ja, 6F,
used) are turned into the divisional office by 3Mar, 2Ap.
- D. Conferences with principals (if used) are held in 3D, 1Ja,
5F, 2Mar, 2Ap.
- E. If possible, teacher salary schedules are
settled by 10Jun, 2Jul, 2Aug, 3Mar, 4Ap, 3May.
- F. The initial draft of the budget is presented
to the board in 1Ja, 3F, 12Mar, 9Ap, 1May.
- G. The final draft of the budget is adopted in 1June, 1D,
2Mar, 15Ap, 7May.

8. To determine the effectiveness of the budget (appraisal) both as to preparation and administration, which of the following devices does the division employ? (Check any number)

26 A. Regular financial reports from the secretary-treasurer showing actual receipts and expenditures in comparison to estimated receipts and expenditures

1 B. Appraisal forms, rating scales or checklists

5 C. Operational and post audits

15 D. Continuous subjective study and evaluation by the secretary-treasurer and superintendent

0 E. Surveys by outside experts

9. Secretary-Treasurer's Professional Training and Experience in Educational Finance

(a) Indicate with a check (✓) those courses which have been included in your professional training. If they were taken at a university, also place a U in the blank.

____ Education finance

____ Statistics

____ Accounting

____ School law

9. (a) continued

_____Economics

_____Bookkeeping

_____Degree or diploma (please specify)_____

(b) What has been your experience as a secretary-treasurer?
(Write in number of years)

_____Years as secretary-treasurer in this division

_____Years as secretary-treasurer in other divisions, counties
or districts

_____Total experience as a secretary-treasurer.

The researcher would appreciate receiving a copy of any of the following which you employ in your division: budget manual, standard supply lists, budget calendar, requisition forms, locally designed budget formats. If you want them returned, or extra postage is required, please inform me. If you would appreciate receiving a summary of this survey, please place a check on this line. _____

Appreciating your interest and assistance in completing this questionnaire, I remain,

J. E. Finnman

4875 107 Street

Edmonton, Alberta

APPENDIX D

BUDGET REPORT FORM OF THE PROVINCE OF ALBERTA

Note: This copy is a replica of the original reduced in size
for inclusion in the thesis.

REVENUE

	Estimated Revenue for Current Year	Estimated Revenue for Previous Year	Actual Revenue for Previous Year
Foundation Program Fund:			
A—Instruction:			
1 Pupils Grades 1 to 6			
Pupils Grades 7 to 9			
Pupils Grades 10 to 12			
2 Teachers:			
Years of Training			
.....			
3 Vocational Training Agreements:			
..... Shop Facilities			
..... Resident Pupils			
..... Non-resident Pupils			
SUB-TOTALS			
D—Transportation (Rate=\$.....)			
Transportation—Depreciation Allowance			
Pupil Maintenance Allowance			
E—Administration			
F—Debt Retirement and Capital Expenditure:			
1 (1) Debentures			
(2) Capital Loans			
2 Capital Expenditures			
3 Other			
Other (Specify)			
.....			
TOTAL FOUNDATION PROGRAM			
Grants Pursuant to The School Grants Act:			
2 Special Classes			
5 (1) Retarded Children			
6 Equipment			
7 Evening Classes			
8 Isolation Bonuses			
10 (2) Pupils from Unorganized Territory			
11 Special			
Other (Specify)			
.....			
TOTAL—SCHOOL GRANTS ACT			
Reimbursement Employer's Contributions to Canada Pension Plan (teachers)			
Total Requisitions (see attached statement)			
Federal Government:			
Department of National Defence—Tuition			
Department of Citizenship & Immigration—Tuition			
Other (Specify)			
.....			
TOTAL FROM THE FEDERAL GOVERNMENT			
From Parents:			
Tuition Fees \$			
Transportation \$			
Sale of Texts \$			
Rental of Texts \$			
Sale of Instructional Supplies			
Other (Specify)			
TOTAL FROM PARENTS			
From Other School Authorities:			
For Tuition			
For Transportation			
Other (Specify)			
TOTAL FROM OTHER SCHOOL AUTHORITIES			
Sale of Capital Assets:			
Instructional			
Non-instructional			
TOTAL—SALE OF CAPITAL ASSETS			
Other Operational Revenue (Specify)			
Residence Rents \$			
Other Rents \$			
Dormitories \$			
Cafeterias \$			
.....			
TOTAL			
TOTAL REVENUE FROM ALL SOURCES			
Surplus Cash Funds (if used)			

EXPENDITURE

	Estimated Expenditure for Current Year	Estimated Expenditure for Previous Year	Actual Expenditure for Previous Year
Administration:			
Officials' Salaries			
Officials' Expenses			
Clerical Salaries			
Auditor			
Attendance Officer			
Elections & Annual Meetings			
Trustees' Expenses			
Legal Expenses & A.S.T.A. Fees			
Advertising			
Office Supplies, Postage			
Employee Benefits			
Other Administration			
TOTAL FOR ADMINISTRATION			
Instruction (Salaries & Expenses):			
Instructional Staff Salaries			
Instructional Staff Expenses			
Clerical Salaries			
Clerical Expenses			
Instructional Staff Institutes			
Bursaries			
Internships			
Sabbatical Leave			
Employee Benefits			
TOTAL FOR INSTRUCTION (Salaries and Expenses)			
Instructional Aids:			
Correspondence Courses			
Library and Reference			
Text Books			
Instructional Supplies			
Other (Specify):			
TOTAL FOR INSTRUCTIONAL AIDS			
Tuition Agreements:			
A. Tuition—Alberta Institutions:			
Other School Districts, Divisions and Counties			
Schools for Retarded Children			
Junior Colleges			
Private Schools			
B. Tuition—Institutions outside Alberta			
TOTAL OTHER INSTRUCTIONAL EXPENSES			
Auxiliary Services			
Health Services (Salaries)			
Health Services (Expenses)			
Other (Specify):			
TOTAL FOR AUXILIARY SERVICES			
Cafeteria (Deficit):			
Plant Operation and Maintenance: (see Page 5)			
Debt Charges: (see Page 5)			
Contributions to Capital & Loan Fund: (See Pages 7 & 8)			
Conveyance and Maintenance of Pupils (see Page 6)			
Other Operational Expenditures (Specify):			
.....			
.....			
.....			
.....			
.....			
.....			
TOTAL OTHER EXPENDITURES			
Total Operational Expenditures			
Deficit Recovered			
.....			

Debenture Installments Due in 1969—NOT Eligible for Reimbursement under the Foundation Program

Estimated 1969 Expenditures to Other School Districts, Divisions and Counties in Alberta

[illegible]

DETAILS OF PLANT OPERATION AND MAINTENANCE EXPENDITURES AND DEBT CHARGES

	ESTIMATED EXPENDITURE FOR CURRENT YEAR ALLOCATED ACCORDING TO TYPE OF FACILITY TO BE SERVICED.						
	Estimated Expenditure for Current Year	Estimated Expenditure for Previous Year	Actual Expenditure for Previous Year	Administrative Facilities	Schools	Transportation Garages and Shops	Building Maintenance Shops and Warehouses
Part A:							
Plant Operation and Maintenance							
Caretakers' Salaries							
Caretakers' Supplies							
Utilities							
Repairs and Maintenance—Buildings							
Repairs and Replacements—Grounds, Fences, Etc.							
Repairs and Replacements—Furniture and Equipment							
Insurance (Excluding Bus Insurance)							
Rent and Taxes							
Operation and Replacement of Trucks							
Repairmen's Salaries							
Employee Benefits							
TOTALS							
Part B: Debt Charges							
Debtenture Principal							
Debtenture Interest							
Debt Assumed from Other School Boards—Principal							
Debt Assumed from other School Boards—Interest							
Capital Loan Principal							
Capital Loan Interest							
Mortgage Principal							
Mortgage Interest							
Interest on Operational Loans and Bank Charges							
TOTAL DEBT CHARGES							
Less: Debt Assumed by Other School Boards—Principal							
Less: Debt Assumed by Other School Boards—Interest							
NET DEBT CHARGES							

*To Agree with Information Reported on Page 3

XXXXXXXXXX

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DETAILS OF EXPENDITURES FOR CONVEYANCE AND MAINTENANCE OF PUPILS

	Estimated Expenditure for Current Year	Estimated Expenditure for Previous Year	Actual Expenditure for Previous Year
Conveyance & Maintenance of Pupils:			
A. Contract Buses			
B. Buses Owned by the Board:			
— Drivers Salaries and Wages			
— Mechanic(s) Salaries and Wages			
— Bus Fuel, Lubrication, Antifreeze			
— Tires and Tubes			
— Repairs to Buses			
*— Replacement of Buses			
— Provision for Future Replacement of Buses			
— Employee Benefits			
— Other Costs			
TOTAL FOR BUSES OWNED			
C. Transportation Insurance			
D. Allowance to Individuals:			
In Lieu of Conveyance			
Boarding Allowances			
TOTAL ALLOWANCES TO INDIVIDUALS			
E. Expenditure to Other School Authorities:			
For Transportation Services Provided by (Specify):			
.....			
.....			
For Dormitory Services Provided by (Specify):			
.....			
.....			
F. Dormitories:			
— Administrators' Salaries			
— Administrators' Expenses			
— Supervisors' Salaries			
— Supervisors' Expenses			
— Clerical Salaries			
— Clerical Expenses			
— Kitchen Staff—Salaries			
— Other Salaries			
— Food Supplies			
— Other Supplies			
— Operation and Replacement of Vehicles			
— Employee Benefits			
— Other			
TOTAL FOR DORMITORIES			

*For Replacement Buses Only. Do not include additions to existing Fleet.

All additions to existing Fleet should be capitalized.

DETAILS OF REVENUE FROM OTHER SCHOOL AUTHORITIES ESTIMATED FOR THE CURRENT YEAR

[illegible]

CAPITAL AND LOAN FUND
ESTIMATED SOURCE AND APPLICATION OF FUNDS

ESTIMATED SOURCES OF CAPITAL FUNDS:

Unexpended Funds from Previous Year: (Specify by Project)

[illegible]

Revenue Fund Contribution (from Page 3)	
Fund for Other Sources (if any)	

Revenue Fund Contribution (from Page 3)	
Funds from Other Sources (Specify)	

[illegible]

Total Funds Available	
-----------------------------	--

ESTIMATED APPLICATION OF FUNDS:	2000 (2001)	2001	2002

Overexpenditure of Previous Years	
Fund Balance, Prior Year	

Overexpenditure of Previous Years			
Funds Needed for Projects commenced in Previous Years (Specify by Project)			

[illegible]

Funds Needed for New Projects (Specify by Project):

Funds Needed for New Projects (Specify % of Project)				
1. For construction of new projects				
2. For purchase of new equipment				
3. For purchase of new land				
4. For purchase of new buildings				
5. For purchase of new vehicles				
6. For purchase of new furniture				
7. For purchase of new fixtures				
8. For purchase of new tools				
9. For purchase of new machinery				
10. For purchase of new equipment				
11. For purchase of new land				
12. For purchase of new buildings				
13. For purchase of new vehicles				
14. For purchase of new furniture				
15. For purchase of new fixtures				
16. For purchase of new tools				
17. For purchase of new machinery				
18. For purchase of new equipment				
19. For purchase of new land				
20. For purchase of new buildings				
21. For purchase of new vehicles				
22. For purchase of new furniture				
23. For purchase of new fixtures				
24. For purchase of new tools				
25. For purchase of new machinery				
26. For purchase of new equipment				
27. For purchase of new land				
28. For purchase of new buildings				
29. For purchase of new vehicles				
30. For purchase of new furniture				
31. For purchase of new fixtures				
32. For purchase of new tools				
33. For purchase of new machinery				
34. For purchase of new equipment				
35. For purchase of new land				
36. For purchase of new buildings				
37. For purchase of new vehicles				
38. For purchase of new furniture				
39. For purchase of new fixtures				
40. For purchase of new tools				
41. For purchase of new machinery				
42. For purchase of new equipment				
43. For purchase of new land				
44. For purchase of new buildings				
45. For purchase of new vehicles				
46. For purchase of new furniture				
47. For purchase of new fixtures				
48. For purchase of new tools				
49. For purchase of new machinery				
50. For purchase of new equipment				
51. For purchase of new land				
52. For purchase of new buildings				
53. For purchase of new vehicles				
54. For purchase of new furniture				
55. For purchase of new fixtures				
56. For purchase of new tools				
57. For purchase of new machinery				
58. For purchase of new equipment				
59. For purchase of new land				
60. For purchase of new buildings				
61. For purchase of new vehicles				
62. For purchase of new furniture				
63. For purchase of new fixtures				
64. For purchase of new tools				
65. For purchase of new machinery				
66. For purchase of new equipment				
67. For purchase of new land				
68. For purchase of new buildings				
69. For purchase of new vehicles				
70. For purchase of new furniture				
71. For purchase of new fixtures				
72. For purchase of new tools				
73. For purchase of new machinery				
74. For purchase of new equipment				
75. For purchase of new land				
76. For purchase of new buildings				
77. For purchase of new vehicles				
78. For purchase of new furniture				
79. For purchase of new fixtures				
80. For purchase of new tools				
81. For purchase of new machinery				
82. For purchase of new equipment				
83. For purchase of new land				
84. For purchase of new buildings				
85. For purchase of new vehicles				
86. For purchase of new furniture				
87. For purchase of new fixtures				
88. For purchase of new tools				
89. For purchase of new machinery				
90. For purchase of new equipment				
91. For purchase of new land				
92. For purchase of new buildings				
93. For purchase of new vehicles				
94. For purchase of new furniture				
95. For purchase of new fixtures				
96. For purchase of new tools				
97. For purchase of new machinery				
98. For purchase of new equipment				
99. For purchase of new land			</	

Surplus of Capital Funds			
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Total Applications of Funds	
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Counties will show only that information pertaining to schools.

PURPOSE OF REVENUE FUND CONTRIBUTIONS TO THE CAPITAL AND LOAN FUND

[illegible]

*T₀ agree with contributions to Capital and Loan Fund for the Current Year as shown on Page 3.

APPENDIX E

REQUISITION FORM FOR SCHOOL DISTRICTS

Note: This copy is a replica of the original, reduced in size for inclusion in this thesis.

REQUISITION FORM FOR SCHOOL DISTRICTS

SUBMIT 2 SIGNED COPIES TO THE DEPARTMENT OF
EDUCATION ALONG WITH 2 COPIES OF THE BUDGET

(The School Act, 1955, Sections 285, 304a (9))

To _____ at _____ Alberta Date _____ 19 _____
(Collecting Authority)

You are hereby notified that the _____ School District No. _____ requisition for the year 19 _____ is \$ _____

For your information, the distribution of requisitions among Collecting Authorities is given below.

Certified Correct

(Secretary-Treasurer)

COLLECTING AUTHORITIES	THIS COLUMN FOR DEPARTMENT USE ONLY	EQUALIZED ASSESSMENT	PERCENTAGE	REQUISITIONS
GRAND TOTALS			100.00	

1. This form does not relate to Foundation Program requisitions but is to be used only to requisition funds from municipalities to supplement revenue received from the School Foundation Fund.
2. This form must be completed, signed and submitted to each of your collecting authorities whether or not an amount is requisitioned for. If no amount of requisition is required please so indicate by the word "NIL".
3. In every instance two signed copies must be forwarded the department along with your budget. Assessments must be shown whether or not an amount is requisitioned for.

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